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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
2ND DAY OF JANUARY 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 p.m. on the 2nd day of January 1980, the place, hour, and date duly established for the holding of such meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Joan-Marie Shelley, Acting President
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Parree Porter

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and the following were absent:

Howard M. Wexler, President
Charlotte Berk

The Acting President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were John Igoe, Chief Administrative Office of the City and County of San Francisco; and C. Chen, T/W Associates.

REPORT OF THE PRESIDENT

- (a) Acting President Shelley announced that President Wexler was delayed by the weather in his returning from New York. She wished everyone a happy New Year.

Acting President Shelley indicated that Item 9(h) would be continued to some future date.

NEW BUSINESS

- (a) Election of officers.

Acting President Shelley noted that the Agency's Bylaws required that an annual election of officers be held at the last regular meeting of the year or the first meeting of a new year. She then opened the meeting for nominations. Mr. Porter nominated President Wexler for the office of President and Mr. Lee seconded the motion. Acting President Shelley inquired if there were any further nominations. There were none.

MOTION: It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that the nominations for President be closed.

NEW BUSINESS (continued)

MOTION: IT WAS MOVED BY MR. PORTER AND SECONDED BY MR. LEE THAT PRESIDENT WEXLER BE NOMINATED FOR THE OFFICE OF PRESIDENT, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Porter
Ms. Shelley

and the following voted "Nay":

None

and the following abstained:

None

The Acting President thereupon declared that the motion carried.

President Wexler was unanimously elected President of the Agency for the year of January 1, 1980 to December 31, 1980.

Mr. Glickman nominated Mr. Porter for the office of Vice President and Ms. Blomquist seconded the motion. Acting President Shelley inquired if there were any other nominations. There were none.

MOTION: It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that nominations for Vice President be closed.

MOTION: IT WAS MOVED BY MR. GLICKMAN AND SECONDED BY MS. BLOMQUIST THAT MR. PORTER BE NOMINATED FOR THE OFFICE OF VICE PRESIDENT, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Blomquist
Mr. Glickman
Mr. Lee
Ms. Shelley

and the following voted "Nay":

None

and the following abstained:

None

The Acting President thereupon declared that the motion carried.

Mr. Porter was unanimously elected Vice President of the Agency for the year of January 1, 1980 to December 31, 1980.

Acting President Shelley congratulated Mr. Porter and he indicated his appreciation in serving with his fellow Commissioners and hoped he would live up to expectations. Acting President Shelley turned the gavel over to Mr. Porter.

Ms. Blomquist nominated Mrs. Jane P. Hale for the office of Treasurer, and Mr. Lee seconded the motion. Acting President Porter inquired if there were any other nominations. There were none.

MOTION: It was moved by Ms. Shelley, seconded by Mr. Lee, and unanimously carried that nominations for the office of Treasurer be closed.

MOTION: IT WAS MOVED BY MS. BLOMQUIST AND SECONDED BY MR. LEE THAT MRS. JANE P. HALE BE NOMINATED FOR THE OFFICE OF TREASURER, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Blomquist
Mr. Glickman
Mr. Lee
Ms. Shelley
Mr. Porter

and the following voted "Nay":

None

and the following abstained:

None

The Acting President thereupon declared that the motion carried.

Mrs. Hale was unanimously elected Treasurer for the year of January 1, 1980 to December 31, 1980.

Ms. Shelley nominated Mrs. Helen L. Sause for the office of Secretary, and Ms. Blomquist seconded the motion. Acting President Porter inquired if there were any further nominations. There were none.

MOTION: It was moved by Mr. Lee, seconded by Ms. Shelley, and unanimously carried that the the nominations for the office of Secretary be closed.

MOTION: IT WAS MOVED BY MS. SHELLEY AND SECONDED BY MR. LEE THAT MRS. HELEN L. SAUSE BE NOMINATED FOR THE OFFICE OF SECRETARY, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Blomquist
Mr. Glickman
Mr. Lee
Ms. Shelley
Mr. Porter

and the following voted "Nay":

None

and the following abstained:

None

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The Acting President thereupon declared that the motion carried.

NEW BUSINESS (continued)

Mrs. Sause was unanimously elected Secretary for the year of January 1, 1980 to December 31, 1981.

Ms. Shelley reaffirmed Mr. Wilbur W. Hamilton for the office of Executive Director and Mr. Glickman seconded the motion. Acting President Porter inquired if there were any other nominations. There were none.

MOTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the nominations for Executive Director be closed.

MOTION: IT WAS MOVED BY MS. SHELLEY AND SECONDED BY MR. GLICKMAN THAT MR. HAMILTON BE REAFFIRMED FOR THE OFFICE OF EXECUTIVE DIRECTOR, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Blomquist
Mr. Glickman
Mr. Lee
Ms. Shelley
Mr. Porter

and the following voted "Nay":

None

and the following abstained:

None

The Acting President thereupon declared that the motion carried.

Ms. Blomquist reaffirmed Mr. Redmond F. Kernan for the office of Deputy Executive Director and Mr. Lee seconded the motion. Acting President Porter inquired if there were any other nominations. There were none.

MOTION: It was moved by Mr. Lee, seconded by Ms. Shelley, and unanimously carried that the nominations for Deputy Executive Director be closed.

MOTION: IT WAS MOVED BY MS. BLOMQUIST AND SECONDED BY MR. LEE THAT MR. KERNAN BE REAFFIRMED FOR THE OFFICE OF DEPUTY EXECUTIVE DIRECTOR, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Blomquist
Mr. Glickman
Mr. Lee
Ms. Shelley
Mr. Porter

and the following voted "Nay":

None

and the following abstained:

None

The Acting President thereupon declared that the motion carried.

NEW BUSINESS (continued)

- (b) Resolution No. 1-80 ratifying and approving action of the Executive Director in soliciting bids for rehabilitation of 1360-70 Webster Street and 35-45 Hollis Street; awarding contract to Mischel Construction, Inc., Western Addition Approved Redevelopment Project A-2.

RULE OF THE CHAIR: Acting President Porter indicated that subject to the objections of any Commissioner that Resolution No. 1-80 be held over for one week. There being no objection, it was so ordered.

- (c) Resolution No. 2-80 approving Change Order No. 20-6 to Site Improvement Contract No. 20, India Basin Industrial Park Approved Redevelopment Project Area.

This item authorizes a \$26,939 change order to Site Improvement Contract No. 20 with Munkdale Bros. for additional work performed in connection with their contract for the construction of sidewalks, street trees, water supply, lighting, electrical ducts, and related improvements on Cargo Way in India Basin. The work was completed within the contract completion period, and the contractor submitted four claims for additional payment for extra work. Staff has thoroughly evaluated these claims and met with the contractor to negotiate the results of this evaluation. As a result, a settlement of \$26,939 of the \$42,637 contractor claim is recommended. This amount will pay for the additional costs incurred in the installation of Pacific Gas and Electric Company boxes and conduits and 130 linear feet of conduit installed by the contractor. Other claims submitted by the contractor have been rejected. The contractor has agreed to this recommended settlement and staff recommends approval.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 2-80 BE ADOPTED.

- (d) Resolution No. 3-80 approving agreement with the Pacific Telephone Company for installation of telephone service in the relocated Hunters Point-India Basin offices in the Burnett School.

This item authorizes payment of installation costs for the telephone service in the new location of the Hunters Point/India Basin site office on the second floor of the Burnett Elementary School. The installation cost of \$4,127 is based on dial-type instruments that will actually be used. The monthly charge will be \$707. An additional charge of service termination will be determined at the time of termination. Payment of this termination charge is appropriate and the basic costs of \$4,136 to permit installation of the system to coincide with the relocation of the site office is recommended.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 3-80 BE ADOPTED.

- (e) Resolution NO. 4-80 authorizing the Executive Director to act for the Agency in connection with permits to enter.

Mr. Hamilton indicated that Mr. Leo E. Borregard, Agency General Counsel, has recommended that the historical practice of staff executing "permits to enter" be formally authorized by the Commissioners. Presently these permits for limited use of Agency property are executed by the property management and real estate staffs, and it is his recommendation that the Executive Director be authorized to act in these matters through duly designated staff persons.

NEW BUSINESS (continued)

These permits are reviewed by the legal division and would contain appropriate hold harmless insurance and restrictions of use of the premises.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 4-80 BE ADOPTED.

- (f) Resolution No. 5-80 authorizing and approving agreement between the Agency and T.W. Associates, redeveloper of Parcel 3706-R, 700 Mission Street (Mercantile Building), Yerba Buena Center Approved Redevelopment Project Area.
- (g) Resolution No. 6-80 authorizing and approving amendment to a personal services contract with Thomas Schulster, Architect, Inc. in connection with maintaining the Rochester Big and Tall Clothing Company in the Mercantile Building during rehabilitation, Yerba Buena Center Approved Redevelopment Project Area.

Mr. Hamilton requested and received permission to consider both these items together. The first item authorizes an agreement with T/W Associates, redeveloper of the Mercantile Building, for the scheduling and monitoring costs of construction for the move of the Rochester Big and Tall Clothing Company in Yerba Buena Center. The agreement would also authorize an Agency expenditure not to exceed \$284,000 as reimbursement to the T/W Associates for the costs of accommodating the Rochester store. In October 1978 costs were ascertained to be approximately \$200,000. A refinement of construction plans and an increase in prices in the interim indicated that \$284,050 is now necessary to allow maximum payment to T/W Associates. Staff and the Agency's consultant, Mr. Thomas Schulster, will administer the expenditure of these funds and attempt to effect every possible cost savings. This work is anticipated to be completed in May 1980.

The second item authorizes an increase in the maximum compensation in the contract with Mr. Thomas Schulster from \$4,000 to an amount not to exceed \$6,744. This \$2,744 increase is necessary to continue Mr. Schulster's technical supervision of the work necessary to effect the permanent relocation of the Rochester Clothing Company which is being coordinated with the rehabilitation of the Mercantile Building by T/W Associates. It had been anticipated that the \$4,000 contract originally executed would be sufficient to oversee the completion of this work; however, as a result of the redeveloper's delays and the difficulty in obtaining information, Mr. Schulster had been unable to complete his work as expeditiously as anticipated. Therefore, in order to assure a quality evaluation of the work and to monitor changes in the schedule for the work, it is recommended that the contract with Mr. Schulster be amended to continue his services.

Ms. Blomquist inquired why the Agency had to absorb these costs, and Mr. Earl Mills, Deputy Executive Director for Community Services, responded that the Agency is obligated when it acquires property, to carry out property management as well as assuring the responsibility of permanently relocating tenants. The Rochester Clothing Company has chosen to remain in the Mercantile Building during its rehabilitation and will also make this their permanent location. While the building is being rehabilitated, a portion of the store has been temporarily moved and the Agency has the choice to pay the costs of a temporary relocation of the entire store or continue them in operation and accommodate them within the building. After analysis the cost was less to move the shipping and receiving portion and retain the rest of the operation on site. There was also no other site available in the area to house these tenants throughout the rehabilitation period. It is the Agency's obligation to pay T/M Associates the cost that they incur in accommodating the Rochester

Clothing Company while they are in the building because if the building were vacant the whole building could be gutted and rehabilitation could proceed more expeditiously. Ms. Blomquist inquired how long this would take, and he replied it was expected to be completed in October 1980. In response to Ms. Blomquist's inquiry, Mr. Hamilton provided her with a detailed breakdown of the costs. Ms. Blomquist asked if the \$284,000 represented and included all the costs of accommodating the tenants at the 676 Mission Street location. Mr. Mills replied it did not include the Thomas Schulster contract which if amended will total approximately \$11,000. Ms. Blomquist concluded that the total amount would then be \$295,000, and Mr. Mills concurred.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 5-80 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. SHELLEY, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 6-80 BE ADOPTED.

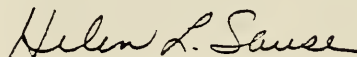
- (h) Discussion of Request for Qualifications (RFQ), Mixed-use Development Program, Market to Folsom between Third and Fourth Streets, Yerba Buena Center Approved Redevelopment Project Area.

RULE OF THE CHAIR: Acting President Porter indicated that subject to the objection of any Commissioner that this item would be continued until further notice. There being no objection, it was so ordered.

ADJOURNMENT

It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:55 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
8TH DAY OF JANUARY 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 8th day of January 1980, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Parree Porter, Vice President
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Joan-Marie Shelley (joined the meeting at 4:35 p.m.)

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and the following was absent:

Charlotte Berk

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, and Benny Stewart, Western Addition Project Area Committee (WAPAC); Lavolia Baker and Linela Blagburn, Victorian Square Associates; W. P. Stevens, Bayview-Hunters Point Community Development Corporation; Peter Leach, Huntoon Paige and Associates; Robert Silva, Genge Community Consultants; John Christian, Bayview-Hunters Point Coordinating Council; and A. Andrews and William Middleton, interested citizens.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Porter, and unanimously carried that the minutes of the Regular Meeting of December 4, 1979, as distributed by mail to the Commissioners, be approved.

REPORT OF THE PRESIDENT

- (a) President Wexler presented his annual report to the Agency. He indicated that all the present Commissioners were appointed by the late Mayor George R. Moscone and most had been serving now for at least three years. The Commission was working in close harmony with Mayor Dianne Feinstein and many Commissioners had just attended her inauguration. He believed the Agency's close working relationship with Mayor Feinstein would continue. President Wexler stressed his belief that the current Agency Commissioners were an outstanding group of dedicated people and he greatly appreciated their continued confidence in him. He congratulated Dr. Porter on his election as Vice President and

REPORT OF THE PRESIDENT

expressed the Commission's appreciation to the Agency's staff for their fine work under the leadership of Mr. Hamilton.

President Wexler reported on the Agency's major achievements for the year 1979 as follows:

1) In India Basin, almost all the land has been sold and a great many buildings of excellent architectural quality are either under way or have been completed. The Agency's successful development of India Basin means that the City will retain hundreds of blue-collar jobs that otherwise would have been lost. Many of the new job openings are being made available to the residents of the adjoining Bayview-Hunters Point area.

2) In Hunters Point, the first market-rate housing is under construction and the Agency obtained a commitment from the Federal Government for the remaining 300 units of subsidized housing. The Youngblood-Coleman Park was opened in 1979. Together with Ridgetop Park, these parks provide some of the finest recreation and open space in San Francisco.

3) Litigation that had previously held up the Stockton/Sacramento project was successfully concluded in 1979. This vitally needed housing development is now under way.

4) In Western Addition A-2, an excellent Fillmore Master Plan was adopted through the cooperative efforts of the Agency and the community. Hundreds of new market-rate and subsidized housing units are under construction while Victorian Square, with its unique restoration and mix of community businesses, was completed.

5) In Yerba Buena Center, major progress was made. The last of the litigation roadblock was successfully removed by the Agency and the City. The Agency's \$97 million bond issue for the George R. Moscone Convention Center commenced with completion due in 1981. Two new major commercial ventures were approved, the Gift and Gourmet Mart and the United Airlines Building, Woolf House, an outstanding elderly housing development was also completed.

6) In the Northeastern Waterfront Survey Area, after two years of hard work, the Citizens Committee brought forth an exciting plan calling for two new, major redevelopment areas.

7) In 1979 the Agency for the first time made possible the construction of new housing outside of redevelopment project area, through the Agency's sale of SB-99 bonds for the Mission Plaza development.

However, in 1979 the Agency encountered two major problems. The first was that housing units were not produced fast enough. President Wexler believed the selection of developers should be accelerated and once a developer is selected, the Agency should provide greater assistance to the developer in getting his project under construction. The second problem is a national one. It is the steady escalation of housing costs which make it extremely difficult to provide affordable housing for middle-income persons. The current freeze on SB-99 funding exacerbates this problem.

At this point, Ms. Shelley joined the meeting at 4:35 p.m.

REPORT OF THE PRESIDENT

President Wexler expressed the belief that there are six major areas which are vital for the Agency to accomplish in 1980.

1) The Fillmore Center Plan should be implemented and construction begun as soon as possible. This will require a cooperative effort among the Agency, developers, and the community.

2) The Agency should select a master developer for the surface of the Central Blocks of the Yerba Buena Center as soon as possible so that during 1980 the selected developer can bring forth his proposal for creating a unique urban garden development in the heart of San Francisco. The proposal will be thoroughly reviewed by the Agency, the Mayor, the Chief Administrative Officer, and the citizens of San Francisco. This will enable the project to proceed in the manner which achieves everyone's common goal, a uniquely San Franciscan development, which will attract residents from throughout the City and provide vitality for the area and the Moscone Convention Center.

3) The Northeastern Waterfront plan should be adopted and implementation begun.

4) The \$50 million postal facility in India Basin should begin construction this year. It will represent the single largest producer of jobs of any of the Agency's developers.

5) The Agency should increase its production of housing in 1980 by accelerating all steps from its initial selection of developers through the completion of construction. While it is difficult to accomplish this in the present financial climate among lenders, it is essential for the Agency to make its best effort to increase and expedite housing production. In this regard, the Incheon Village development will afford a unique opportunity for the Agency to participate in the fast production of market-rate and subsidized housing.

6) The Agency should make every effort to develop a program that will bring housing units within the purchasing range of middle-income San Franciscans.

President Wexler indicated that although these are high goals; if they are not set this high the Agency would not be carrying out its duty as the public agency best suited to meet the critical housing and commercial development needs of the people of San Francisco. He stressed his belief that the Agency has the capability of meeting all of these objectives.

- (b) President Wexler indicated his extreme pleasure of working in close harmony with Ms. Joan-Marie Shelley who had served the Agency as Vice President. He noted that he knew Ms. Shelley had wished to nominate Mr. Porter as her successor but because of his absence she had been presiding and could not do so. On behalf of all the Commissioners he expressed their deep appreciation for the service Ms. Shelley had provided to them. Ms. Shelley expressed her thanks to her fellow Commissioners.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) Relative to President Wexler's comments regarding Ms. Shelley, Mr. Hamilton indicated his hearty concurrence.
- (b) Mr. Hamilton also indicated he would like to acknowledge the presence of Mr. William Middleton who was the first Executive Director of the Western Addition Project Area Committee (WAPAC) and is now a practicing attorney at law in Los Angeles.

UNFINISHED BUSINESS

- (a) Resolution No. 272-79 entering into exclusive negotiations with Charles and Lynn Blagburn for Parcel 684-D-1, 1724-28 Fillmore Street, Western Addition Approved Redevelopment Project Area A-2.

This item deals with the disposition of 1724-28 Fillmore Street. Mr. Hamilton recalled the Victorian Square Association and WAPAC had recommended that Mrs. Leola King Wilson be allowed to purchase this building in conjunction with her adjacent structure. At the Agency meeting of December 4, 1979 it was suggested that a condominium sale of the building to Mrs. Wilson and the Blagburns be explored to see if that would be an acceptable alternative. Since that meeting extensive discussions have occurred between the Blagburns, Mrs. Wilson, representatives of WAPAC and Victorian Square, and Mr. Lawrence Koncz the Agency's condominium attorney. It was generally agreed that the conversion of the property to a condominium would result in higher costs and delays in achieving ownership. The concept of partnership purchase was also discussed and the Blagburns have rejected this possibility and renewed their request that they be designated as the purchasers. Mr. Blagburn is a Business Certificate holder and staff continues to recommend that he be designated as the purchaser of the building for a disposition price of \$180,000, plus \$4,400 for the share of the adjacent parking lot. Mr. Hamilton indicated that this matter had been before the Commissioners last week and it had been delayed so that these meetings could occur; however, the meeting with Mrs. Wilson, the other principals, and himself had been cancelled because of Mrs. Wilson's absence and it had not yet been rescheduled. Because of the seriousness of this matter, Mr. Hamilton requested that this item be held over until January 15, 1980. Mrs. Lavolia Baker, President of the Victorian Square Association, came forward and wished everyone a happy and prosperous New Year. She indicated she had just learned today that this item was to be postponed and she had thought that at the last meeting the matter had been left up to the Blagburns and Mrs. Wilson to resolve. She was concerned that people who were eager to apply for rental units were beginning to complain of delays. She was also concerned because these buildings were being used by trespassers for uses that created a fire hazard. On behalf of the Association urged the Agency to make the decision it wished but act soon because when these buildings were not occupied the members would not pay their Association dues. Mr. Hamilton inquired what position Victorian Square Association took as to whether the building should be conveyed to the Blagburns or not, and Mrs. Baker responded it should be sold to the Blagburns. Mr. Hamilton indicated that the Commissioners were concerned that the alternatives be explored

UNFINISHED BUSINESS (continued)

thoroughly regarding the condominium or the lease arrangement to make a restaurant possible. The delay was not because the Agency was unwilling to move forward because he had recommended that the building be conveyed to the Blagburns, but the delays were caused because WAPAC and the Victorian Square Association had wanted to sell the building to Mrs. Wilson for her restaurant. Now it appears that Mrs. Baker is suggesting that the building be conveyed regardless of the restaurant which represents a different position. Mrs. Baker agreed that she had wanted the restaurant in the Victorian Square development but Mrs. Wilson believed it was necessary to have it on the main floor of both buildings. President Wexler indicated that the Commissioners were considering Mr. Hamilton's recommendation that the item be continued. Mrs. Baker urged that the matter be acted on. Ms. Blomquist commented that from Mr. Hamilton's comments it appeared that another meeting may resolve the issues. Mr. Hamilton indicated that staff had met with the Blagburns on the condominium issue and that arrangement was unacceptable to them and Mrs. Wilson and the lease arrangement was unacceptable to Mrs. Wilson. He wished to have another meeting to resolve this difference; however, if Mrs. Baker wanted the Blagburns to have the building then it appeared the possibility of having the restaurant was foreclosed. Mr. Glickman inquired if Mrs. Wilson was advised that this matter would be postponed, and Mr. Hamilton responded affirmatively. Mr. Glickman thought it unfair to continue to discuss the matter without both parties being present. Ms. Blomquist asked how many buildings were still vacant, and Mrs. Baker responded there were four.

Mr. Gene Suttle, Area Director for Western Addition A-2, indicated that rehabilitation of the last three buildings was being completed. He indicated that because there were no Marks-Foran loan funds available to purchasers the designated owner could not take possession of the buildings. In addition, staff is reevaluating the appraisal values for these buildings and this will take about two more weeks. It is possible that designated purchasers such as Mr. Brinkley may move into this building before conveyance is possible and they could pay rent. On the building to be purchased by Tony Taylor there is also the reappraisal consideration as well as the unavailability of Marks-Foran money which is delaying the transfer. Mr. Suttle indicated that there is a loan for \$2 million which may soon be obtained from a bank. This has now been under negotiation for one year. It is not that the bank is unwilling to make the loan but that the Ullman Bill has created questions about the feasibility of making tax-exempt loans.

Ms. Blomquist inquired if that meant these two to three buildings would remain vacant until the Ullman Bill issues were resolved, and Mr. Suttle replied that for purchasers who were dependent upon Marks-Foran Rehabilitation Loan then that conclusion was correct. Ms. Blomquist asked if the Agency could permit the designated purchasers to rent the buildings prior to conveyance, and Mr. Suttle responded this was possible. The Commissioners indicated that the occupation of the buildings would be preferable to having them remain vacant.

MOTION: IT WAS MOVED BY MR. GLICKMAN AND SECONDED BY MR. PORTER THAT RESOLUTION NO. 272-79 BE HELD OVER FOR ONE WEEK, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Glickman
Mr. Lee
Mr. Porter
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

UNFINISHED BUSINESS (continued)

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT MOTION CARRIED.

NEW BUSINESS

- (a) Resolution No. 7-80 approving an application for conditional commitment and authorizing the Executive Director to transmit it to the U.S. Department of Housing and Urban Development (HUD), Incheon Village Project.
- (b) Resolution No. 8-80 approving amendment to the 1978 City-Agency Community Development Agreement Expenditure Schedule for transfer of funds to the Agency for Incheon Village Project predevelopment costs.
- (c) Resolution No. 9-80 approving amendment to the 1979 City-Agency Community Development Agreement Expenditure Schedule for transfer of funds from the Hunters Point Project to the Incheon Village Project.
- (d) Resolution No. 10-80 authorizing the Executive Director to negotiate a personal services contract with Genge Consultants regarding Incheon Village Project.

Mr. Hamilton indicated that all these items involved issues that were of great significance which President Wexler had mentioned in his report as a unique opportunity to provide the housing in Incheon Village. Early in October, Mayor Dianne Feinstein asked the Agency to take lead on the Incheon Village development and staff has been under a great deal of pressure from HUD, the General Services Administration (GSA), and the U.S. Navy to move this development forward rapidly. Staff is eager to participate in this program so this exceptional potential housing resource is not lost to San Francisco families who are otherwise foreclosed from the homeownership market.

The Incheon Village program involves the purchase from the Navy of a 7.3-acre tract containing 100 two-, three-, and four-bedroom homes. The Agency would rehabilitate these homes and sell the units as condominiums to modest-income homebuyers. Some of the elements that follow characterize the Agency's involvement in the Incheon development. First, the Agency will develop the project under authority of Section 33396 of the California Community Redevelopment Law which authorizes the Agency to purchase and develop surplus government property. There is insufficient time to undertake a redevelopment project because of the tight time schedule. Second, although the project involves some costly site improvement work, Agency staff investigations find it to be generally feasible at the present time. Average sales prices are estimated at \$55,000, which is less than half the cost of new developments with similar amenities. The units will be developed under Section 235 of the National Housing Act which provides an FHA-insured mortgage on a condominium regime. The units will be sold to families with incomes ranging from 95 to 120 percent of the San Francisco median which is \$19,600 to \$24,800 for a family of four. A combination of State and Federal subsidies and home financing programs will be employed to reduce development costs and mortgage payments. Third, the Agency will act as the developer. As such, its position will be little different from that of any other developer of housing in project areas. The Agency will engage all necessary consultants, such as architects, engineers, contractors, management, and marketing agents and their fees, as well as almost all other development costs, will be covered in the project mortgage which

NEW BUSINESS (continued)

will be funded at the time of closing just before the start of construction. A modest sum for Agency administration and other nonmortgageable costs will be covered by either a new allocation or a reallocation of Community Development funds.

Mr. Hamilton indicated that Incheon Village will have some problems. These are not viewed as insurmountable but he wanted to acknowledge these at the outset for the Commissioners' full understanding of the dimensions of this development. These problems and other basic characteristics of the development as well as the Agency's implementation plan for the property will be described by staff as these four items are addressed as they appear on today's agenda. The four items are as follows: Resolution No. 7-80 relates to a conditional commitment application for HUD mortgage insurance which, if approved, will be transmitted to HUD for processing. Total development cost, based on staff analyses of the work involved, is estimated at \$5.3 million. Resolution No. 8-80 relates to an amendment to the 1978 City/Agency Community Development Agreement which would transfer \$69,468 in Community Development funds to the Agency to cover \$37,300 for initial payments to consultants for architectural, engineering, and project management services; \$25,668 for payments to the U.S. Navy for protection and maintenance of the property between now and the time of conveyance; and \$6,500 for the initial cost of Agency administration, for a total of \$69,468. Resolution No. 9-80 relates to an amendment to the 1979 City/Agency Community Development Agreement which would transfer \$594,200 from the Hunters Point project to Incheon Village to cover \$454,700 for total payments to consultants for architectural, engineering, construction surveying, subdivision mapping, marketing, and management services; and \$139,500 for Agency administration, for a total of \$594,200. Money paid to the consultants is recoverable from the Incheon Village mortgage and will be repaid to the Hunters Point account once the mortgage is closed. Resolution No. 10-80 relates to an authorization to negotiate a contract with Genge Community Consultants for architectural, engineering, marketing, management, and other consulting services related to the development. Funds set aside for this purpose under Resolutions 8-80 and 9-80 total \$492,000.

Mr. Hamilton indicated that Messrs. Peter Leach, Huntoon Paige and Associates, has prepared the conditional commitment application and will act as the Agency's mortgagee, and Robert Silva of Genge Community Consultants has made a preliminary review of the scope of professional services involved in the development and were both present to answer any questions the Commissioners may have. The authorization to negotiate with Genge relates to the necessity of moving quickly and since the Agency has already had satisfactory experience with that firm as master consultants, it is recommended that their services be used for Incheon Village. Mr. Hamilton indicated that staff believed that Incheon Village was an important undertaking to both the City and Agency. If the Agency is successful, it will have provided at minimum cost and in minimum time an attractive housing development for San Francisco families. The Agency will also have established its ability as an able and competent development entity capable of responding with speed and resourcefulness to a complicated development problem. Mr. Hamilton then requested that staff begin its presentation starting with Mr. Thomas Conrad, Chief of Planning, Housing, and Programming. Mr. Conrad indicated the location of Incheon Village on the wall map as being adjacent to the Hunters Point shipyard and noted that the Navy still owns the property but is leasing it. The site is located at the eastern end and over the ridge line of the Hunters Point project. The 100 units in the development are in 13 buildings, including two-story townhouses and some one-story townhouses. It was built in 1968 for Navy quarters for noncommissioned officers and families and remained in this use until 1974 when the Navy closed down the shipyard and made the

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site available for public use. The units in the Incheon Village portion are in relatively good shape but the eight structures in the other portion of the site, which is known as Solomon Village, a two-story World War II enlisted men's barracks, are in such poor condition they will have to be demolished. The Solomon Village area would then be converted into a park.

Mr. Conrad reiterated that this development is assigned to the Agency at the request of the Mayor. The Agency is to acquire the site from GSA through HUD, for \$1.25 million, which is a fixed figure and not subject to negotiation. One problem concerns access which is presently only through the main Navy gate and although there are two ways out from the public housing area these are only emergency exits. This housing was originally for service families and was retained for rental to shipyard workers. Mr. Conrad indicated there would have to be an arrangement to provide direct access without having to go through the Navy gate. There will also have to be a carport provided for each unit and also open space that will be needed also. Some of the streets in Incheon Village will have to be widened by removing some of the parking to meet City standards.

Mr. Edmund Ong, Chief of Architecture, indicated that it will be important to change the character of the entire project from what was essentially military residential housing into an area that would be appropriate and desirable for market-rate residential units. Staff has defined certain objectives it considered important and one was the creation of open space for residential use and the 1:1 parking ratio for on-site parking for residential. There is parking now on the site but the streets are used for getting in and out of these parking areas and there also needs to be guest parking. A more efficient use of space for parking could be devised such as parking bays which would be a cost effective solution. It is also desirable to eliminate the retaining walls paving and parking on the various levels. The amount of paving must be reduced and be devoted to open space. In order to increase traffic safety, improve fire truck access, and provide on-street parking for guests, the staff proposes widening street areas where feasible. Finally, some landscaping will be provided to supplement the present landscaping and existing open space in various activity areas will be defined to create buffers between streets and a more pleasant project environment.

Mr. Conrad indicated that the units were composed of 12 two-bedroom, 78 3-bedroom, and 10 four-bedroom units and there is heavy emphasis on 3-bedroom units. The project will be the condominium type which will take some time, but it is anticipated that the project will be financed with a construction loan under SB-99 and take out long-term financing under Federal programs that are equivalent to Section 235. The buyers who qualify for this program will have interest rates as low as 4 percent. The units will be marketed to individuals and families of low to moderate income. The proposed sales prices are \$46,000 for a 2-bedroom unit, for 3 bedrooms, \$55,000, and 4 bedrooms, \$65,000. The average will be \$55,000 per unit which is anticipated to be below market value. The Agency will be the prime developer and this will allow the project to move rapidly. In regard to scheduling, HUD has indicated that if the application is sent to HUD within the next few days it could be approved by March 31, 1980 and the Agency will be able to file for a final commitment by April 15, 1980 meeting and June 15, 1980 deadline established by GSA. Rehabilitation activities can proceed soon after that, and the first units could be sold before 1981. The total project could be sold out by August 15, 1981. The GSA has attempted to convey the site to a public entity for the past nineteen months.

Another consideration is that the site is adjacent to a public housing project which is vacant and presently has a low priority for modernization. HUD has assured the Agency it will attempt to provide money to begin rehabilitation of those units.

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The City may also have to accept the parks for maintenance, however, these may be part of the property ownership by the purchasers of the condominiums maintained by the homeowners. Other problems are that the project is not built according to City Code and the Department of Public Works standards and there may have to be some waivers for electrical and plumbing work systems. In regard to design standards for streets, the size of sewers, and water rights there are other discrepancies.

Mr. Hamilton indicated that the staff has had to move quickly to respond to the Mayor's request to assume responsibility. Mr. Hamilton indicated he would be in Washington, D.C. on February 1, 1980 to meet with HUD and the GSA representatives to discuss the issues that need support from these entities to move the development forward. Mrs. Mary Rogers, Chairperson of WAPAC, inquired what the purchase price was for Incheon Village and the cost of rehabilitating it. She also inquired about the consultant firm contract and Mr. Hamilton responded that the land purchase price was fixed by GSA at \$1.25 million. The condominium program provides the best opportunity for occupancy by people who would not otherwise have an opportunity to own property. This ownership will be done through the unique financing, which provides the best chance to reach an income range not otherwise reachable. The contract with Genge Community Consultants is for a variety of development services that are needed including architectural, engineering, construction surveying, marketing services, and preparation of subdivision maps. Mrs. Rogers inquired about the total cost, and Mr. Conrad responded that the rehabilitation and development costs were \$5.33 million including the land cost.

Mrs. Rogers asked what income was considered "moderate" income and Mr. Hamilton replied that \$19,600 to \$21,000 is the income for a family of four. Mrs. Rogers indicated that designation of that income as "low-to-moderate" income persons is incorrect and Resolution 7-80 needed modification to clarify this language. Mr. Hamilton indicated that he had reported that the program was to provide housing for middle-income people, and Mr. Conrad explained that the Code section in the California Community Redevelopment Law that permits the acquisition of government property that is surplus requires that it be used for "low-to-moderate-income" people, which the law clearly defines as an income up to 120 percent of median. President Wexler observed that the median went from 95 percent to 120 percent of the median. Mr. Conrad explained that to qualify for a loan under Section 243 and 235 programs, it is necessary to have sufficient income to carry the mortgage and to allow the person to afford the units. Mr. Hamilton indicated that the law was very clear about the project falling within the moderate-income designation. The alternative would be to subsidize the units for low-income and HUD did not wish to approve additional low-income units in that area. President Wexler suggested striking out the work "low-and" in the resolution, and Ms. Blomquist believed the resolution should be modified to reflect what the Agency is doing relative to middle housing. Mr. Hamilton indicated there was no problem in taking out that wording since this project is clearly for middle-income housing.

Mr. W. P. Stevens, Bayview-Hunters Point Community Development Corporation, (CDC), indicated that he represented the CDC and because of an unfortunate shooting also the Board of the Bayview-Hunters Point Joint Housing Committee (JHC). He commented that one of the main items of discussion at the JHC's board meeting last Saturday concerned Incheon Village. He was present as a housing consultant to request postponement of the decision on that project in order to give the CDC an opportunity to present its proposal to become developers and sponsors of the housing in Incheon Village. He concurred in the urgency of this project and indicated that as a result of meetings with the San Francisco Housing Authority who had originally been asked to renovate the project and GSA, he did not believe that the delays were the fault of the Hunters Point community, but rather that of HUD, GSA, and the Housing Authority. He indicated that the CDC was one of the first developers of low-income

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housing in Hunters Point and he wanted to know who would do the development and what was the relationship of the JHC and the Agency for this project. He believed that the CDC would move more quickly than the Agency and could be ready to file a full development proposal by next week. He believed it was unfair not to let the JHC have an opportunity to do this development for housing. He believed that the Mayor and various Supervisors would be supportive of the CDC developing that project, and the community also supports CDC. In Mr. Stevens' opinion, there was no technical work to be done on the site that could not be quickly done with CDC which has the advantage of being a nonprofit organization. He believed CDC would be able to provide the best way to produce low-and-moderate housing for the community and noted that it had established a record for expeditious development. He alleged that Hunters Point was developed by white outside developers and the CDC was formed to ensure change that there would be no more white developers in the area. It is completing 14 houses and is ahead of everyone else. It will have 44 additional units in Phase II and also will be ready to develop Site 4 and 5 as well as the future development of the 300 remaining subsidized units so that track record is important. Mr. Stevens indicated that the business of developing was not that difficult and that the real difficulty was the marketing of the units. In his opinion, the marketing could best be carried out by the CDC since the community was represented on the Board and it would be able to solicit buyers from the community. It was also better situated for marketing. President Wexler indicated that the Commissioners were not selecting a developer today. Mr. Stevens indicated it was important that the Commissioners know the team that CDC intended to use in developing this project. He indicated that CDC used a minority construction-management company directed by a former Area Director of the Agency and believed it can do the project expeditiously because it has insight into the HUD processes. He also intended to work with Nibbi Brothers to bring in more minority firms as subcontractors. The development team is composed of minorities and committed to use area residents. He believed Hunters Point was a major problem and that the community could take on a new role as developer, but because it was an election year, it can influence HUD and GSA. He was concerned that the community was unaware of this project being developed adjacent to Hunters Point and had not had an opportunity to participate. He indicated the Agency's plan was rejected at a meeting of the JHC last night by the newly elected representatives of the community and the CDC had not had time to respond to the letter which was sent out one week ago concerning development of this project. He asked that the matter be delayed to allow CDC to present its proposal. President Wexler asked Mr. Stevens if it were his position that the Agency ought not make an application for mortgage funds but acquire the property and turn it over to the JHC to make the application. Mr. Stevens expressed the belief that the Agency should not act on the application until further study could be made and CDC could enter into negotiations with the Agency. He suggested that the CDC could sell a bond issue which would provide money during the renovation process and indicate that the CDC could buy the project directly. President Wexler responded that to file the application would not preclude further participation by community participant Mr. Stevens asked that the Agency not take action on any of the four resolutions, but particularly the first one. President Wexler asked if the CDC had any indication it would be an acceptable developer to either HUD or GSA and Mr. Stevens replied he had informally contacted the Housing Authority originally and it was HUD Secretary Patricia Harris who had suggested CDC consider carrying out this project.

Mrs. Rogers again questioned the working in Resolution No. 7-80 about low-income, and Agency General Counsel Leo E. Borregard indicated that the wording should be "low; or "moderate" not "low and moderate." There is a Section 33449 in the Health and Safety Code referring to the authority of the Agency to do what it intends to do to provide housing for families for persons of low or moderate income as defined in Sections 41056 and 50093. Families of low and moderate incomes is defined as persons whose income does not exceed 120 percent of the median income. President Wexler inquired if people in the 120 percent range could be considered low, and

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Mr. Borregard responded that under the definition they could be although there was a separate definition of "low" income, whereas "low and moderate" is an income which does not exceed 120 percent of median for the area. President Wexler suggested providing a distinction for both terms and Mr. Borregard indicated it was the intention of the resolution that persons qualify under Health and Safety Code Section 33449 or those persons as defined in the Health and Safety Code definition under 50093. President Wexler inquired if there was a problem in adding clarifying language so no one could claim the resolution was misleading. Mrs. Rogers indicated that \$19,600 income for a family of four was not "low" income, and Mr. Hamilton reiterated that this housing was for middle-income persons. In response to President Wexler's inquiry, Mr. Borregard indicated that persons of moderate income are defined as "persons of low or moderate income" which is 80 to 120 percent of the median income of an area but "low" could be eliminated from the resolution. Mrs. Rogers asked if there were other bids for the services to be provided by the Genge contract, and Mr. Hamilton explained that this was a personal services contract which was not appropriate to bid competitively. The Agency has normally solicited expressions of interest from several firms but does not award on the basis of competitive bids. There was an absolutely compelling necessity to secure these services to expedite the project. Genge Community Consultants have been satisfactorily performing the architectural and engineering site preparations for Hunters Point and are familiar with the community. Mr. Stevens inquired if this were a minority firm, and Mr. Hamilton responded that Genge is not a minority firm. One specific reason for retaining it is that the firm is totally familiar with the problems attendant to the kind of physical difficulties in that area and a new firm would not be as familiar with these and this knowledge is an asset where time is of criticality.

Mr. Hamilton noted that Mr. James Wilson, Area Director for Hunters Point and India Basin, had met with the JHC and the statement made by Mr. Stevens that the JHC had rejected the Agency's plan was incorrect. The community indicated that it wished to be involved with the development of the marketing plan but did not reject the concept. This program had been reviewed with JHC as a courtesy because this project is outside the Hunters Point area and the JHC does not have authority in this matter. Mr. Hamilton indicated he had some concerns about the CDC not having developed those sites for which it was already designated and the Office of Community Development (OCD) has also expressed concern on this problem to the Agency. The CDC is involved with 14 units in Phase I which are behind schedule and for Phase III, evidence of financing was due by the end of July 1979 and this is still not available. The Agency has been very supportive of the CDC but the Agency is not new in working with nonprofit organizational developments and has been developing housing long before CDC was in existence. The Agency's concerns about timing result from a letter dated December 21, 1979 from Mr. Moon Landrieu, Secretary of HUD, addressed to Mr. Rowland G. Freeman, Administrator of the GSA, stating that if GSA does not receive an active proposal regarding transfer of the Inchon Village site by January 15, 1980, it will dispose of the property to an entity other than the City, Agency, CDC, or anyone else. A letter had also been received from Mr. William E. Szymczak, HUD's Deputy Director for Multifamily Development, dated December 27, 1979, addressed to OCD, indicating that the City was making progress and that HUD was supportive of the City's present approach, which is the program the Agency has presented today with the understanding that the City would move forward rapidly. If the Agency interrupts that process and considers any alternative it would take additional months to put together another proposal and may lose the opportunity to move forward to provide housing in San Francisco.

Mr. Stevens believed that Mr. Wilson had not correctly understood the JHC's position which was supportive of the CDC as developer of housing. He had just

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spoken with the President of the JHC who had reaffirmed this position. He indicated that marketing is the important issue. He claimed that the 14 units in Phase I were on schedule. He urged that the black community be permitted to become involved in Incheon Village development but noted that he had had no formal discussion dialogue with HUD, GSA, and OCD. President Wexler asked if Mr. Stevens opposed the filing of an application by the Agency, and he responded that he wanted to hold that option to see if there could be some participation by CDC. President Wexler indicated that there were a number of actions to be taken and the City must approve the transfer of funds within the 1978-79 budget. The GSA originally established January 15, 1980 as the deadline to complete the transfer of the property, but that schedule is impossible to meet; therefore, an extension of time has been requested from that date to the June 16, 1980 deadline. HUD has supported this processing schedule but it requires that the program be acted upon without delay. Mr. Stevens asked if this precluded submission of an application by the CDC, and Mr. Hamilton indicated that this was his recommendation. Mr. Stevens indicated he wanted to be considered as a joint developer. Ms. Blomquist indicated she favored Mr. Hamilton's recommendation because the Agency had to move quickly to meet the tight time schedule. She suggested taking advantage of the opportunity to produce housing by moving rapidly with this project and if another opportunity arises on some other location then consideration could be given to the involvement of CDC. In the meantime, she urged that the Agency adhere to the proposed schedule.

Mr. Glickman asked about the performance of Genge Community Consultants and Mr. Frank Cannizzaro, Chief of Engineering, indicated that Genge was one of five companies owned by the Systems Planning Corporation which is a privately-owned stock company. The company has been under contract with the Agency since 1974 and in 1975 a contract was signed for \$2,286,000 with an amendment in 1976 by the amount of \$517,000 to include additional work to support housing. In March 1978 there was a clarification of the contract language and an agreement that the money spent under the contract would not exceed \$2,803,000. This was an encompassing contract which included all architectural and engineering services for Phases II and III. The firm has provided good service to the Agency in a timely manner and with good management. To date, \$2,788,000 has been spent and approximately \$75,000 has gone to other consultants contracted for by Genge with the Agency's approval for architectural and structural engineering services.

Mr. Glickman inquired how the architectural services were provided, and Mr. Robert Silva of Genge responded that the firm of Thompson, Chrysler, Shapiro were responsible for the architectural work and they were part of the developer team of Goldrich and Kest for Sites A, B, C, D, and E. Mr. Glickman inquired how much of the housing had been completed, and Mr. Cannizzaro replied Phase II was completed and Sites C, D and E for 300 units were delayed by HUD. Mr. Lee inquired aside from architectural consultants who would be doing the most work in housing, and Mr. Silva responded that presently the civil engineering, land surveying, and planning services are being provided by Converse, Davis, and Dickson with subcontract to International Engineering Company. Mr. Lee asked who would do this work in Incheon Village, and Mr. Cannizzaro replied that this would be part of the contract negotiations. Mr. Hamilton noted that the authorization requested was only to enter into negotiations with Genge. Mr. Lee questioned how the \$692,000 figure was arrived at, and Mr. Cannizzaro indicated staff had estimated the various services required and \$692,000 includes costs for planning and programming the project at \$35,000; topographic mapping, \$10,000; engineering, \$120,000; subdivision documents, \$20,000; architectural, \$75,000; project management, \$110,000; formation of the homeowners association, \$30,000; and construction, surveying, and consultation \$90,000 and the sales program for \$200,000. The project management services will

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be the subject of negotiation discussions and will include the coordination of all technical people involved in getting the project approved, designed, and built and moved forward on schedule. This includes coordination of site development and rehabilitation plans, as well as securing the approval of various City agencies, utility companies, HUD, and related special consultation services during the course of the work.

Mr. Lee asked about the sales program and whether Genge would also develop this program, and Mr. Cannizzaro replied that this had been discussed with Genge relative to engaging someone who knew and could deal with the sales program. Genge has located the firm which has had success in this field and the \$200,000 fee for the \$5 million projected sales price is based on 4 percent of the sales price and includes a 3 percent sales commission, one-half percent for advertising and one-half percent for miscellaneous sales costs involved in the marketing program. Mr. Cannizzaro indicated that all of these estimates have to be further refined. Mr. Hamilton indicated that this contract was under consideration by staff and the costs will be carefully evaluated. Staff will return later with the final contract figure for the Commissioners' approval. Mr. Cannizzaro indicated that the services under Genge's contract other than the sales program will be performed on a time and material basis. He noted that work orders will be issued with definite dollar limits.

President Wexler expressed his belief that it was important to move ahead rapidly. In response to President Wexler's inquiry, Mr. Hamilton indicated that some of the costs related to administrative expenditures and would not be recovered. President Wexler inquired about the budget transfers and Mrs. Jane Hale, Assistant Executive Director for Finance and Administration, indicated that the \$69,468 represents the transfer of new Community Development funds to the Agency for Incheon Village. Other costs, including the Genge contract, are recoverable. There is a question about how the Agency can recover the administrative costs, and Mr. Conrad indicated that all but \$146,000 may be recoverable. Mrs. Hale explained that the Agency may recover these funds from OCD. She reiterated that there was some exposure.

President Wexler inquired what activities would be imperiled if the money could not be returned, and Mr. Hamilton replied that there was nothing which precluded the funds from being recovered later. He noted that the OCD had worked with the Agency in developing the budget and OCD will assist the Agency in reallocating funds so no essential activities are deleted.

President Wexler inquired who would make the selection of purchasers, when would this be done, and also what would be included in the purchase agreement to prevent a quick sale and profit-taking. Mr. Hamilton responded that a preference program will be devised for this housing. Disposition documents will address these issues but the answers to these questions are not yet known. President Wexler inquired about contacting the Municipal Railway regarding transportation, the Police Department, and resolving the access road problem, and Mr. Hamilton responded these actions will be taken and stressed that was the reason it was important that the renovation be carried out by an entity which will do more than just rehabilitate the structures. The Agency has the commitment to make the area a desirable place to live. In response to President Wexler's inquiry, Mr. Hamilton replied the Agency has the capacity to do the physical improvements more efficiently but the marketing or sales program could be possibly done by a separate entity. President Wexler inquired if the site improvements would be done by contracting this work out to existing private entities, and Mr. Hamilton answered affirmatively noting that these would be administered the same as in any other project. Mr. Porter inquired about the possibility of having CDC do the marketing, and Mr. Hamilton responded that the Agency wanted to be sure it

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was contracting for services that are professional or which could involve the CDC or other organizations. He was not sure about marketing this project using the CDC because he was not confident about CDC's capability to do this work.

In response to Ms. Blomquist's inquiry, Mr. Silva responded that the Genge Company has its offices in San Francisco which are staffed by ten people, as well as having offices in Oakland and Novato. Ms. Blomquist expressed concern that the Agency had not gone out to bid on this contract and suggested that staff determine if there were other consultants who were familiar with the area. She requested information of the profit margin and project management and urged that a minority firm be considered. Mr. Hamilton indicated that the figures provided by Mr. Cannizzaro are the definitive estimates available at this time and that the Agency was following the same policy on this project as it has on other projects regarding consultants. Ms. Blomquist inquired about funds in 1978 Community Development budget for the RAP Program and if the \$69,000 was being taken from these monies. Mr. Conrad indicated that these were not RAP funds. Mr. Hamilton noted that OCD had money budgeted for some years for a study and development of a consolidated loan process and rehabilitation program and this money was surplus to that study. Ms. Blomquist hoped the study would not be eliminated. Mr. Hamilton indicated the study would still be in effect.

At this point, Mr. Glickman excused himself and left the meeting at 6:43 p.m.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 7-80 BE ADOPTED, WITH THE DELETION OF THE WORDING "LOW AND" FROM THE BODY OF THE RESOLUTION.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 8-80 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 10-80 BE ADOPTED.

At this point, President Wexler turned the Chair over to Acting President Porter and left the meeting at 6:45 p.m.

- (e) Resolution No. 1-80 ratifying and approving action of the Executive Director in soliciting bids for rehabilitation of 1360-70 Webster and 35-45 Hollis Streets; awarding contract to Mischel Construction Company, Inc., Western Addition Approved Redevelopment Project Area A-2.

This item concerns award of a contract for rehabilitation work on two Agency-owned properties in Western Addition A-2 to the lowest of four bidders, Mischel Construction Company, Inc. for \$433,750. These two buildings have been moved to their present location and are part of the Agency's condominium program. Each has two units and is representative of the type of building in the program which requires major renovation. The rehabilitation cost is an average of \$57 per square foot and the average cost of \$40 per square foot anticipated for the remaining buildings in the program. The award of this contract brings the total of units being rehabilitated in the 58-unit condominium program to 12. Mr. Hamilton recalled that there was a question about the affirmative action programs of the Mischel Construction Company's subcontractors, but these have now been resolved and staff recommends award of this contract. Mrs. Rogers asked what the time schedule was for completion of this project, and Mr. William McClure, Director of Rehabilitation, responded it would take ten months. She then inquired if the work were not completed within that time what kind of fee would the Agency charge the contractor, and he replied it was \$100 per day according to the damage clause in the contract if work was not completed on schedule.

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Ms. Blomquist inquired if the buildings are to be sold for \$40,000 to \$70,000 and what assurances there are that they would not cost \$108,000 which is the rehabilitation cost of the buildings. Mr. McClure indicated before that the 17 properties were selected on the basis of the rehabilitation costs for some of the buildings which would be averaged with buildings requiring less extensive work. She noted that the contract estimate had been \$383,000 but now it is \$433,750 and she inquired if this influenced the sales price of the units. Mr. McClure responded that he still believed the \$55,000 sales price was average but it depended upon the financing, because originally it was hoped the Marks-Foran money could be used; however, the HUD's Section 235 condominium program is being used for back-up financing. Under this program the maximum mortgage is \$46,000 and staff anticipates the \$55,000 sales price will require the purchasers to provide a comparatively modest down payment and since the interest is subsidized the purchaser in the moderate-income range would not have to pay more than 25 percent of his income. Ms. Blomquist asked that the Commissioners be advised if the sales price is to be increased.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 1-80 BE ADOPTED.

- (f) Resolution No. 11-80 approving an expenditure of funds to effect the temporary move of the Independent Grocery in connection with clearance of Yerba Buena West Development Site, Yerba Buena Center Approved Redevelopment Project Area.

This concerns expenditure not to exceed \$28,000 for the temporary move of the Independent Grocery store located in the Yerba Buena Center project. This store has been in operation for over twenty years and occupies an Agency-owned building which must be demolished for construction of the United Airlines Building. It is the intention of all parties involved to provide a temporary relocation of the store which will move into the United Airlines Building when it is completed. After exploring a number of options, it has been determined that the best way to effect this temporary relocation would be to provide a modular trailer unit for the grocery store during the construction period. Staff has located such unit which can be made available by January 30, 1980 from the Mobile Modular Management Corporation. Because of the tight time schedule for this development, it is necessary to have the site vacated by the end of January. The estimated costs for leasing the trailer for the 18-months' displacement period and for providing utility, toilet facilities, and the moving of personal property totals \$27,423; therefore, staff recommends approval of an expenditure not to exceed \$28,000. In addition, it is recommended that staff be granted authority to obtain informal bids for the provision of utility hook-ups, move of personal property, and related actions which are necessitated by the move. The Agency would normally seek formal bids for these activities but because of the tight time schedule, it is recommended that informal bids be obtained from a minimum of three firms.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 11-80 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Shelley, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:55 p.m.

Respectfully submitted,

Helen L. Sause
Helen L. Sause

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
15TH DAY OF JANUARY 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 15th day of January 1980, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Parree Porter, Vice President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Melvin D. Lee (joined the meeting at 5:05 p.m.)
Joan-Marie Shelley

and the following were absent:

None

The President thereupon declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Western Addition Project Area Committee (WAPAC); Maria Galatti and Paul Sherrill, Vida Foundation; Ruth Denmark, John Sebastian, Betty Ann Lipow, Stephen Stratton, Anne Strauss, Jim Gallagher, William P. Johnson, Jr., Robert Fletcher, Sam Sirhed, and Marion Dadis, Diamond Heights Community Association; Reed Gregg and Gregg Bender, Harbor View Villas Condominium Owners Association; Lynn and Charles Blagburn, Victorian Square Associates; Peter Bresciani, attorney; Ron Kaufman, Ron Kaufman Companies; and David Lawrence, interested citizen.

APPROVAL OF MINUTES

It was moved by Mr. Porter, seconded by Ms. Shelley, and unanimously carried that the minutes of the Regular Meetings of November 20, 1979, November 27, 1979, and January 2, 1980, as corrected and as distributed by mail to the Commissioners, be approved. It was moved by Ms. Shelley, seconded by Mr. Porter, and unanimously carried that the minutes of the Executive Meetings of November 27, 1979 and November 28, 1979, as corrected and as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) Mr. Herb Black, a former employee of the Agency, passed away on Saturday, January 12, 1980. Services will be held tonight at 6:30 p.m. and funeral services on January 16, 1980 at 2 p.m. at the Bethel AME Church, 970 Laguna Street, San Francisco.
- (b) The Archille Paladini Seafood Company is announcing the opening of its new facility at 500 Mendell Street in the India Basin Industrial Park by having a grand celebration inspection of its modern seafood distribution plant on Saturday, January 26, 1980 at 1 p.m.

DOCUMENTS DEPT.

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UNFINISHED BUSINESS

- (a) Resolution No. 272-79 entering into exclusive negotiations with Charles and Lynn Blagburn for Parcel 684-D-1, 1724-28 Fillmore Street, Western Addition Approved Redevelopment Project Area A-2.

After last week's meeting, Mr. Hamilton indicated he had met again with the parties interested in the purchase of 1724-28 Fillmore Street and explored options available to achieve the objective of establishing the restaurant desired by Mrs. Leola King Wilson and still honor Mr. Charles Blagburn's Certificate of Preference. It appears that all efforts to achieve a joint interest in this building have been rejected and the Victorian Square Association joins with staff in recommending that the Blagburn's be designated as purchasers of the property. The disposition price is \$180,000, plus \$4,400 for a 1/11th share of the adjacent parking area. The Western Addition Project Area Committee (WAPAC) has been advised of this recommendation and has expressed no objection. The letter from Mrs. Lavolia Baker, President of the Victorian Square Association, dated January 13, 1980 addressed to Mr. Hamilton also concurs in the designation of the Blagburn's. Mr. Hamilton noted that the Association indicated in its letter that it intended to continue the effort to have a restaurant in Victorian Square.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 272-79 BE ADOPTED.

Mr. Hamilton and President Wexler congratulated the Blagburn's, and Mr. Blagburn thanked staff for their work.

- (b) Resolution No. 326-79 authorizing staff to solicit proposals for feasibility study of withdrawal from the Social Security System.

This concerns a request to solicit formal proposals for the feasibility study of the Agency's withdrawal from Social Security. Since the Agency meeting of December 4, 1979 meeting, staff has researched the scope of services necessary to obtain a useful evaluation of the alternatives to the Social Security System and has been increasingly impressed with the complexity of this study. Staff believes that a qualified consultant be retained to carry out such a study. Staff recommends that formal proposals be solicited and the results will be brought back to the Commissioners for selection of a consultant and award of a contract which is anticipated to cost approximately \$40,000 to \$12,000.

Ms. Blomquist commented that the first and second phase of the scope of services appeared to be identical. Mrs. Jane P. Hale, Assistant Director for Finance and Administration, explained that Phase I was an evaluation which assigned a dollar value on the benefits presently provided by the Social Security System. This would be done for groups of employees with similar characteristics. Phase II is development of a replacement program and the cost to the Agency to replace these benefits, some of which cannot be replaced. It is necessary to have the first phase completed in order to make a comparison with Phase II. Ms. Blomquist asked if it was anticipated that the contract approval would include authority to proceed on all three phases, and Mrs. Hale replied affirmatively. Mr. Porter inquired if the alternative program would be patterned after that used for military services where the cost of living escalation is reflected in retirement benefits so people do not have less than the amount they retired with. Mrs. Hale indicated all of these ideas would be considered and noted that the Social Security costs had been going up and did have an escalation clause. Mr. Porter indicated that unless the new plan provides protection for the survivor's family he would not find it acceptable.

President Wexler indicated he favored going forward with the study but was concerned that Congress had given governmental agencies the option to leave the

UNFINISHED BUSINESS (continued)

Social Security System. This may result in an increase in the cost of the system for all those who are in private employment.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 326-79 BE ADOPTED.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in the proposed variances for development of Parcel J-1, Diamond Heights Approved Redevelopment Project Area.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel J-1, Diamond Heights Approved Redevelopment Project Area.

Resolution No. 19-80 granting a land use designation variance from the physical standards and requirements of the Redevelopment Plan for the Diamond Heights Approved Redevelopment Project Area B-1, as related to disposition Parcel J-1, Assessor's Block 7502, Lot 4.

Resolution No. 20-80 granting a sideyard setback variance from the physical standards and requirements of the Redevelopment Plan for the Diamond Heights Approved Redevelopment Project Area B-1, as related to disposition Parcel J-1, Assessor's Block 7502, Lot 4.

Resolution No. 21-80 granting an automobile parking variance from the physical standards and requirements of the Redevelopment Plan for the Diamond Heights Approved Redevelopment Project Area B-1, as related to disposition Parcel J-1, Assessor's Block 7502, Lot 4.

Mr. Hamilton indicated that the hearing was for the purpose of securing public comment on the variances proposed to the Diamond Heights Redevelopment Plan, which are necessary to development of the 21 units of housing for the handicapped persons proposed by Vida Foundation. Three variances are required: (1) the land use designation for the parcels needs to be changed from market-rate housing to subsidized housing; (2) the 20-foot sideyard setback requirements need to be modified to permit an 8-foot side yard on one side and a 10-foot side yard on the other; and (3) the parking ratio of 1:1 needs to be reduced from five standard parking spaces to four spaces large enough to permit access by handicapped persons. Staff has carefully evaluated the proposed variances and found them to be entirely within the spirit and intent of the Redevelopment Plan. The proposals also comply with the City Planning Code and since these modifications are essential to ensure development of this needed housing, staff recommends approval.

President Wexler indicated that a number of communications had been received from persons expressing concern and opposition. These letters are on file in the office of the Secretary. One letter dated January 15, 1980 from Mr. Robert E. Johnson, President of the Homeowners Association of Harbor View Villas II, was read by President Wexler. This letter which objected to the side yard variances and the reduction of parking spaces, on the grounds that adjacent property owners had purchased homes in the expectation that the approved Redevelopment Plan requirements would be adhered to. It was Mr. Johnson's opinion that because of the location of the proposed Casa de Vida on a busy street the parking problems will be exacerbated, adding to the already present congestion in the area. Mr. Johnson also opposed the change from market-rate housing land use to subsidized housing and was particularly concerned that the location was undesirable for handicapped persons because of its distance from transportation. He also noted that the site contained the only grove of trees in Diamond Heights which would be destroyed if the housing were constructed.

NEW BUSINESS (continued)

Mr. Thomas Conrad, Chief of Planning, Housing, and Programming, indicated that the Diamond Heights Redvelopment Plan was adopted in 1955, and stipulated very specific siting requirements and as a result the Commissioners have had to grant variances where these limitations create a hardship. It is proposed that three variances be granted to allow the Vida Foundation to construct this housing for the handicapped. The first variance provides for a change in the land use designation from multifamily moderate-rate development to that of multifamily subsidized housing with the same density. In this case, the project is dependent on rental subsidies. The second variance provides a waiver of the Plan's 20-foot side yard setback to an 8-foot side yard on one side and a 10-foot side yard on the other, which would permit the proposed density to be developed on that parcel. Staff evaluated the consequences of retaining the 20-foot side yard but this would require that another story be added above which would interfere with the views of the adjacent property owners. This would also require a different type of construction, which is Type 3, or a noncombustible type rather than a wood-frame structure. The third variance required from the 1:1 parking ratio to permit five standard sized parking spaces or to four spaces which would be large enough to provide access by handicapped persons. The 1:4 parking ratio is justifiable based on studies of parking needs for other subsidized housing developments. If the present 1:1 ratio is observed it would be necessary to replace one entire floor of the development with parking which would diminish the number of units and increase construction costs. Mr. Conrad recommended that these variances be granted.

Ms. Shelley asked for additional information on the proposed reduction of the two parking spaces to five spaces or four spaces. She believed that generally handicapped people may not drive cars but the ratio seemed low. Mr. Conrad responded that experience with subsidized housing in Western Addition A-2 and Hunters Point the 1:4 parking ration was more than sufficient. Ms. Shelley indicated that this experience may not be relevant since these were not handicapped housing units. Mr. Conrad indicated that the 112-unit Woolf House development in Yerba Buena Center included handicapped tenants and allotted 12 parking spaces with one specifically set aside for the handicapped, which has proven to be more than adequate. Mr. Hamilton indicated that the City Planning Code had varied its requirements to 1:5 for the elderly and handicapped but the Agency is not bound by that since it is a guide based on citywide experience. Mr. Conrad concurred noting that he had checked with the person responsible for writing that provision and was assured a number of housing developers had been contacted before the determination was made that the 1:5 ratio was acceptable.

President Wexler inquired if the variances were not granted for the setbacks what would the effect be in terms of the units proposed and would there be a reduction of the number of units or an increase in the Section 8 subsidies. Mr. Conrad responded that if the variances were not granted for the side yards the construction would have to be changed to noncombustible material, which is Type 3 construction, and in doing so the per unit cost allowed by HUD would be exceeded which would make the project infeasible. Ms. Shelley noted that Mr. Conrad had mentioned that it may be necessary to add another floor to the building for Type 3 construction and inquired about the effect of this on the views of the neighbors across the street. Mr. Conrad indicated that the additional height of 9 or 10 feet would severely impact the site. Mr. Conrad commented that Mr. Edmund Ong, Chief of Architecture, had just informed him that there was a height limitation on this parcel and it would have to be redesigned to respect that height limit and extended further down the hill.

President Wexler indicated that a number of persons wished to be heard regarding this item and he suggested that they be succinct in their comments.

EW BUSINESS (continued)

Mr. John Sebastian, President of the Diamond Heights Community Association, indicated that the Association's position regarding the Casa de Vida development was one of support for the development in principle, however it did strongly oppose the granting of the parking variance for several reasons. It was the consensus that the residents of Casa de Vida will have a need for parking which is no less than that for other community residents and the need could even be greater. He believed that the adjacent streets are already crowded with parked cars and it is dangerous for people to cross the divided boulevard for parking space. Providing the required one space per unit would help minimize the impact of the development on the nearby residents, and the Association strongly recommended that the variance reducing the number of parking spaces be denied. President Wexler inquired if this decision was reached by a quorum of the Board of Directors of the Association and Mr. Sebastian responded that of fifteen members on the board there were nine who participated in the vote. In response to Mr. Glickman's inquiry, Mr. Sebastian indicated there were 300 members in the Association.

Mrs. Anne Strauss came forward and indicated she lived at 46 Digby Street for 15-1/2 years and was appearing on her own behalf. She indicated she did not oppose the type of development but believed this was the wrong use for this area, because it was much too windy to be pleasant for elderly people and also there would be congestion caused by lack of parking areas. She noted that other developments had a white zone for guests to pick up and discharge passengers but in this development the entire facade appears to be a garage and there is no such zoning. In addition, it is situated on a curved narrow street which impedes the flow of traffic. She also believed there were many elderly and handicapped people who drove their own cars and the building should not have any variance from the parking requirements. She was concerned that plan changes create problems for the neighbors and tenants alike.

Mrs. Ruth Denmark indicated that it had been mentioned that the handicapped generally did not drive cars and that four parking spaces should be sufficient. She believed that this was inadequate. Mrs. Denmark also indicated there were presently no street parking spaces and the traffic also made the street difficult to cross because the corners are some distance away. In addition, there is sufficient through traffic that it would make any kind of double parking dangerous.

At this point, Mr. Lee joined the meeting at 5:05 p.m.

Mrs. Maria Galatti of the Vida Foundation came forward and indicated that if the handicapped should not be seen as being handicapped but for their physical capabilities, because they were no different from other people. President Wexler commented that the Commissioners were fully supportive of Vida Foundation's proposal but asked Mrs. Galatti to elaborate on the question of parking. He had not heard anything on transportation for handicapped persons and inquired if this will be provided by vans which were part of the Casa de Vida development, or if it were by Municipal Railway bus and if so how would the individuals get to the bus. He also inquired about the provision of visitor parking. Mrs. Galatti indicated that in early 1977 when the project first began, it had been brought to the attention of the Diamond Heights Neighborhood Association which had approved the project in principle but at that time parking spaces were not the issue. When the proposal was originally presented to the Association it was for the development of six units with 1:1 parking, however, at that time the Association favored use of the parcel for open space.

In 1978 a presentation was made before the California Housing Financing Agency in Sacramento to seek funding for the project but the Association's position objecting to the use had preceded that presentation. Also there were also other letters expressing concern for property values because the parcel was considered too

NEW BUSINESS (continued)

valuable for housing low-and-moderate-income individuals but parking was still not an issue. A study of the site was made by Mr. Evert Heynneman, Chief Planner for the San Francisco Housing Authority, and it was his opinion that twenty or more units would be necessary to build an economically feasible project. It was then that the concept changed and this was presented to the Agency in January 1978. Mrs. Galatti indicated that this site had originally been designated in the Redevelopment Plan for market-rate housing and it is from those standards that Vida Foundation is required to obtain a variance. She noted that no space in Diamond Heights had been designated for low-income elderly or handicapped housing and believed that market-rate housing in Diamond Heights required 1:1 or more parking. However, even though more than 65,000 persons in the city qualify as handicapped who need affordable, accessible housing, none exists. She explained that the average handicapped person has an income of less than \$5,000 per year and in order to live in Casa de Vida a single individual may not have an income exceeding \$10,000 and a couple may not have more than \$15,000. She believed that persons with such limited incomes could not afford expensive vehicles such as Mercedes-Benz which cost more than \$25,000 and also pay over \$200 for insurance and operating expenses. If a person does earn more than \$10,000 the State has disincentives in the form of benefit reduction.

From studies furnished from a study of similar developments where 100 parking spaces were available, only six spaces were used at any one time. She suggested that the east side of Diamond Heights Boulevard has abundant area which could be reserved for the handicapped. She preferred not to reserve this area because it could cause resentment from adjacent condominium owners who have extra cars and also because the handicapped do not need these spaces. Mrs. Galatti indicated that the Municipal Railway and Canon-Kip have provided letters indicating that transportation would be provided to the handicapped. She reported that plans for the development are essentially completed and approved by the Department of Housing and Urban Development (HUD), which has granted the subsidies and insurance and that the State of California is prepared to provide the financing for construction and permanent mortgage. All that remains to make the project work is the approval from the Agency for the variances.

Mrs. Galatti stressed that the handicapped did not wish to be treated as special people. She noted that there were no other developments similar to Casa De Vida which required a 1:1 parking ratio. She also reiterated that in addition to the transportation to be provided by Canon-Kip the Municipal Railway would have buses which could provide service to people using wheelchairs and these buses would pass by the development. She indicated that the units in this 21-unit project would all have to be suitable for people who use wheelchairs. HUD has approved the development based on the understanding that the units will be made available to handicapped people. President Wexler inquired if the Muni would provide a bus or a van, and Mrs. Galatti responded that the No. 37 line which has a long run across the city will be converted to accommodate passengers using wheelchairs. She noted that this line which connects with BART, the Mission corridor, and other areas is not just a small bus which ran infrequently. President Wexler asked if the four large parking spaces would be used by individuals with their own cars or would there be a community vehicle for the whole building, and she responded that the developer was required to provide the space available but it was not fully determined how it would be used. She added that the City had a mandate to provide transportation to inaccessible places for handicapped people. President Wexler asked if the spaces were not being used by the residents would these be available for visitors, and she replied affirmatively. She also indicated that there would be a professional manager to take care of the building. Mrs. Berk asked about the function of a professional manager, and also what solutions could be found for the problems mentioned by Mrs. Denmark. Mrs. Galatti noted that in accordance with Federal Government requirements the

NEW BUSINESS (continued)

project would have a mix of 20 percent each of Asian, white, black, Latino, and other and that the first two floors be set aside for people in wheelchairs. The manager will have certain duties such as selecting the residents and should there be applicants who needed more than four parking spaces, the manager would then find other people who were willing to forego private transportation. President Wexler indicated his understanding that the first four applicants with cars would get the spaces and others would not. Mrs. Galatti concurred.

Ms. Shelley indicated Mrs. Galatti had mentioned that there were very few handicapped people who could afford cars such as the Mercedes-Benz example she cited as being typical of cars people drive. She inquired about how different were the income figures cited for persons living in Casa de Vida, which Mrs. Galatti had stated was \$10,000 and \$15,000 for couples, from the general public since they seemed to be about the same average. Mrs. Galatti explained that these were the maximum incomes established by HUD for persons of low-to-moderate income, but some handicapped people only receive \$310 per month and most have less than \$5,000 per year.

Mr. Glickman indicated that since the City allows that subsidized projects provide only one-fifth the number of parking spaces as are required for market-rate housing, he believed this ratio must be based on studies. He inquired if there were also studies for handicapped parking. Mr. Conrad responded that the proposed reduction was based on citywide experience on which the City is permitting this parking ratio to be used. Mr. Conrad indicated that he had not seen the studies but the code states this was the ratio to be used for the elderly and handicapped. Mr. Glickman observed that the speakers appear to be concerned about the parking problem which was a citywide problem that the City had evaluated and developed a ratio that was proper for these particular uses.

Mr. James Gallagher indicated that his thoughts had been presented by a previous speaker.

Mrs. Betty Ann Lipow indicated she lived on Beacon Street and was a member of the Diamond Heights Neighborhood Association Board of Directors and in accordance with its bylaws acts for the Association. She explained that the Association had favored the open space use but did not oppose the Vida Foundation project because it recognized the problem of finding housing for the elderly and handicapped. There was a concern about the parking. She also wanted the Commissioners to note that there are two large developments of low-and-moderate income housing in Diamond Heights and the residents of those units have some cars. Mrs. Lipow asked that there be a minimum of seven parking spaces set aside. She also inquired what the guidelines were for an applicant who wished to get into the project and how selection would be made from among the many eligible handicapped people. Mrs. Galatti commented that there were no low-income housing units in Diamond Heights for the elderly or handicapped. She also reiterated that there was curb space of approximately 75 feet on Diamond Heights Boulevard and 110 feet along the Douglas Park, in addition to two other sites on the property which equals seven spaces. On the north there is 300 feet of curb space. She noted that the condominiums also needed parking, but if absolutely necessary, Vida Foundation could ask the City to set aside curb parking for the handicapped; however, any cars parked in these specially designated areas then would be ticketed which would cause bad feelings in the neighborhood.

Mr. Reed Gregg of Harbor View Villas Condominium Association indicated that he had lived in Diamond Heights for three and one-half years and was on the Board of Directors of a nearby condominium, although he was speaking as an individual.

NEW BUSINESS (continued)

He was concerned about the well-being of the handicapped persons and was familiar with their problems since he had worked with the California League for the Handicapped and believed that this was a dangerous site for them because of the traffic hazards, lack of parking, high winds, and fog every day. The site was also badly situated on a curve on a busy street.

Mr. Gregg Bender of Harborview Townhouses indicated he lived in Harbor View and was speaking as an individual. In his opinion the location was inappropriate for handicapped housing and would have been better for open space. Parking was a problem and there were no sidewalks in the area. It was also dangerous to cross the street at this windy site.

Mr. Peter Bresciani, attorney for the Diamond Heights residents, indicated that he was representing the homeowners in the area, particularly Mr. Sam Sirhed. He believed that the area was too isolated for the handicapped and noted that it was serviced by only one bus line. The problem of limited mobility is also aggravated by there being only four parking spaces available in this development, and although they may not own cars, they have friends and family members who do and there is just no place to park in limited curb space. He was concerned that if the Muni fails to comply with its plan to take care of the handicapped it would disadvantage these people.

Mr. William P. Johnson, Jr. indicated he lived in Diamond Heights and opposed subsidized housing. He believed that in the post Proposition 13 era there were other uses for subsidy funds and although he supported public housing he was opposed to this particular development because it took prime land off the tax rolls. He indicated there was already low-income housing in Diamond Heights in a location that would have brought in more revenue if it had been devoted to private single-family dwellings. He commented that the best views in the city were from Diamond Heights and low-income housing should not be placed on such prime property. He also believed that the subsidized housing was better than the housing average taxpayers could afford and objected to this. He believed this area should be saved for people who can afford to own their homes.

President Wexler indicated he had a card from a Ms. Tsukmoto who resided in Diamond Heights and who was unable to be present. Ms. Tsukmoto wished her views known that she favored the Casa de Vida development variances.

Mr. Sam Sirhed, a resident of Diamond Heights and an architect and developer, indicated that as an architect he would not have placed the elderly in the location chosen by Vida Foundation because it was too dangerous.

Mrs. Galatti indicated that Vida Foundation will be paying property taxes and noted that sidewalks would also be constructed in front of the property, as well as near the park area. She indicated that there were many applications for this housing and it will be a difficult task to choose these residents because the need is so great. She supposed the best method would be to pull names of applicants at random. Ms. Shelley recalled that Ms. Galatti had indicated only four residents who had cars would be allowed in the development and others with cars would be turned down. Ms. Shelley asked if that were so, how would lots be chosen, and Mrs. Galatti responded that this would be a problem but the process would be worked out by the resident manager. He would see that no more than four people with cars would be selected. President Wexler suggested that there be some rules to clarify that no more than four tenants would be chosen with cars to avoid disappointing some of the applicants. Ms. Shelley expressed the belief that parking was troublesome in the area and asked what would happen to the development's feasibility and economics if the

NEW BUSINESS (continued)

parking ratio was increased or space used within the building.

Mr. Paul Sherrill, architect for the Vida Foundation, responded that it would be impossible to get more than five spaces placed in the project. The 4:1 ratio would permit wheelchair tenants to maneuver. Additional parking would be difficult to achieve and he believed it was inappropriate to take away more of the curb parking. There could not be a whole floor reserved for a garage in this kind of construction.

There being no further persons wishing to appear in connection with the matter, the President declared the public hearing closed.

Mr. Lee inquired about the management of the units, and Mrs. Galatti responded that the resident manager lives in the property and maintains it and also cares for the needs of the residents. The other management is carried out by a private professional team which handles the rent collection and applies for rental subsidies from the Department of Housing and Urban Development (HUD) and also takes care of expenses incurred by the development. Mr. Lee inquired if there was an assistant manager, and Mrs. Galatti replied if there was it would be a resident handicapped person. Mr. Lee inquired if this resident manager would have a vehicle, and Mrs. Galatti replied the resident manager would be a couple, one or both whom would be handicapped, and would not own a vehicle.

Mr. Glickman indicated he was satisfied that the reduced parking met the City requirements which were in accordance with that of similar situations. He noted that some of the residents of Diamond Heights had suggested that there may be better sites for handicapped housing and that they may be correct; however, although not ideal, this site is better than none for people who have no housing alternatives. Such drawbacks as bad weather were considered several years ago when Vida Foundation first submitted its proposal. He believed Mrs. Galatti had fought the odds to obtain financing and had worked hard to develop this housing which is more important than cars. As far as the provision of guest parking, he believed this would be similar to the situation of other projects where there is heavy traffic.

Ms. Shelley indicated that some of the points raised today were those the Commissioners were aware of over two years ago when the site was first approved. She had been concerned about the slope of the site, but handicapped people had evaluated the proposal and believed the site was appropriate for them; therefore, she felt they could judge the suitability of the site better than anyone else. Those issues had been resolved at the time when the initial designation was made. Of the three variances under consideration the parking was the only one of concern to her, because of the traffic problems in that area. Ms. Shelley indicated that she would reluctantly accept Mrs. Galatti's prediction that there was no need for further parking and would enthusiastically endorse the other two variances.

Mr. Porter indicated he was satisfied with what he had heard but was concerned about not having a vehicle for the resident manager on the premises. He asked what would happen in an emergency since he was of the opinion that a vehicle would be almost required. Mrs. Galatti responded that was a valid concern, but the site was only one-quarter of a mile from the fire station in case of an emergency; however, she would like to take this concern back to the Vida Foundation to consider further. Mr. Porter expressed appreciation for having this taken under advisement.

President Wexler congratulated Mrs. Galatti for moving the project forward. He also congratulated the Diamond Heights Neighborhood Association, which represented 300 residents, for its position in terms of having open space although this attempt had been lost, and for their position on the broader commitment to favor this type

NEW BUSINESS (continued)

of housing as opposed to market-rate housing. He also believed realistic concerns about the parking had been raised. Although four or five spaces seemed to be minimal for 21 units of housing there appeared to be some availability of cars being parked on the street. He suggested that the resolution could be amended to state that the number of units rented to persons with cars shall not exceed the number of on-site parking spaces available without a further variance from the Commission. That would assure the Diamond Heights Neighborhood Association that there would not be a greater number of cars than the number of spaces available. In response to President Wexler's inquiry, Mrs. Galatti indicated there was no problem in reserving curb space for the development but she would first want the consent of the Association because she did not want any special privileges. President Wexler suggested pursuing this matter with the Association. Mrs. Galatti concurred and Mr. Hamilton indicated he would like to explore the issue with HUD also because although he did not foresee any legal problems of limiting the number of tenants with cars even though that went beyond the criteria of rental and selection processes on this project. President Wexler indicated it could be made subject to HUD's approval.

MOTION: It was moved by Ms. Shelley and seconded by Mr. Porter that Resolution No. 21-80 be adopted with an amendment with the following wording added, "provided that the number of units rented to persons with cars will not exceed the number of parking spaces available without an additional variance from Commissioners and this requirement is subject to HUD approval."

Agency General Counsel Leo E. Borregard indicated that it would be his recommendation that the Commissioners act with respect to each variance and the amendment on the last variance separately, because if HUD disapproves the amendment the entire process would have to be repeated.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 19-80 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 20-80 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 21-80 BE ADOPTED.

President Wexler indicated that the last resolution provided the number of tenants with cars cannot exceed the number of on-site parking places without obtaining the approval of the Commissioners, subject to HUD approval.

Mrs. Galatti thanked the Commissioners and staff members for their consideration and help.

At this point, Ms. Berk excused herself and left the meeting at 6:25 p.m.

- (b) Resolution No. 13-80 granting to Vida Foundation and Gustav Erpen, a proposed limited partnership, an extension of their exclusive rights to negotiate for the purchase and development of Parcel J-1, Diamond Heights Approved Redevelopment Project Area.

This item concerns a 90-day extension of exclusive negotiating rights of the Vida Foundation and Gustav Erpen, the partnership that is proposing development of 21 units of Section 8 housing for the handicapped in Diamond Heights. This extension is recommended to permit HUD to complete its processing of the firm commitment for the Section 8 subsidies necessary to development of this property.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 13-80 BE ADOPTED.

NEW BUSINESS (continued)

- (c) Resolution No. 14-80 awarding Demolition and Site Clearance Contract No. 47 to Allstate Excavating and Demolition Company, Yerba Buena Center Approved Redevelopment Project Area.

This item concerns award of Demolition and Site Clearance Contract No. 47 in Yerba Buena Center to the lowest of eight bidders, Allstate Excavating and Demolition Company, for \$76,180. This contract will clear the two structures on the Fourth and Minna Street site, which is necessary to convey a cleared site for the Mosse/Nishkian project. The engineer's estimate for this work was \$86,750. The contractor has not previously worked for the Agency but staff has evaluated the qualifications of the firm, as well as its affirmative action program and recommends approval. Mr. Lee congratulated staff on obtaining such a good bid.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 14-80 BE ADOPTED.

- (d) Resolution No. 15-80 granting an extension of time for exclusive negotiations with the Ron Kaufman Companies for Parcel 3735-C, 236 Second Street, Yerba Buena Center Approved Redevelopment Project Area.

This concerns extension of exclusive negotiating rights for rehabilitation of the Planters Hotel in Yerba Buena Center with the Ron Kaufman Companies for a period of sixty days. Mr. Kaufman has refined the feasibility studies for the building, prepared schematics, and obtained costs for the rehabilitation work. While he was preparing this material, staff secured and reviewed appraisal reports necessary to establish the disposition price. A question had been raised as to whether the valuation established for this property has been made on an appropriate basis. Staff and the appraiser are reviewing the matter further and request that Mr. Kaufman's designation be extended for sixty days to allow this reevaluation to take place.

Mr. Glickman asked if the cost for rehabilitation had increased. Once the rehabilitation is done the cost may be substantial enough that it could require a reduction in the value of the land cost, and Mr. Hamilton responded that that was correct. Mr. Glickman observed that appearances had been made before the Board of Permit Appeals to obtain approval of the proposal and he inquired who had made these appearances. Mr. Ron Kaufman responded that he appeared before the Board since he was the developer. Mr. Glickman asked if it were now possible to rehabilitate a wood-frame building in this fire zone area, and Mr. Kaufman answered affirmatively. Mr. Glickman indicated his interest in this development which he believed raised an important issues. He wished to follow this matter relative to its value as a prototype to resolving housing problems even though this is a commercial development, since there were many old structures infeasible for rehabilitation because of strict requirements imposed by the Building Department.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 15-80 BE ADOPTED.

At this point, President Wexler turned the Chair over to Acting President Porter and left the meeting at 6:30 p.m.

- (e) Resolution No. 16-80 approving a purchase requisition to Pacific Gas and Electric Company for undergrounding work, India Basin Industrial Park Approved Redevelopment Project Area.

This item concerns a purchase requisition to Pacific Gas and Electric Company for maintenance of existing electrical services to a car wash and gasoline station on Third and Cargo Way in India Basin Industrial Park. This property is affected by the conversion of the existing overhead electrical system to an underground

NEW BUSINESS (continued)

system. Since the property is not within the underground district, the Agency has no enforcement power to compel the property owner to have this work done.

At this point, Mr. Glickman excused himself and left the meeting at 6:30 p.m.

It is necessary to have this conversion of existing overhead electrical facilities completed in order to carry out the extensive construction now being done on Cargo Way. Authorization is requested to have the PG&E perform this work for an amount not to exceed \$2,650.

Ms. Blomquist inquired if there were other instances where the Agency had done work for private organizations, and Mr. Frank Cannizzaro, Chief of Engineering, responded that the Agency had to do similar relocation work for the Port of San Francisco, which is basically considered to be operating as a private developer. The Port had no money and did not pay for the services to be relocated but because the work was within the right of way and in the public interest, the Agency had provided the necessary assistance. Ms. Blomquist was concerned this would set a precedent, but Mr. Cannizzaro did not believe it would because the Agency had no option and one-and-one-half years would be required before details could be worked out otherwise.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. SHELLEY AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 16-80 BE ADOPTED.

At this point, President Wexler returned to the meeting at 6:35 p.m. and resumed the Chair.

- (f) Resolution No. 17-80 authorizing the Executive Director to attend the NAHRO Legislative Conference in Washington, D.C.

This item concerns a request for Mr. Hamilton to travel to Washington, D.C. from February 1 to 5, 1980 for the purpose of attending the National Association of Housing and Redevelopment Officials (NAHRO) Board of Governors' meeting and conducting a meeting of the National Committee on Community revitalization and Development (CR&D) as well as attending meetings with HUD and Congressional staff. The cost of this travel is estimated at \$1,150. Mr. Hamilton indicated that the CR&D is in the process of formulating support for Congressional reauthorization of the Block Grant Program and this meeting will finalize a number of the preliminary proposals on the reauthorization and seek the Board of Governors' approval for discussion of this with Congressional representatives. Also to be discussed are major issues concerning evaluation of the administration's budget proposals for the fiscal year of 1981, the future of tax-exempt mortgage bonds, and HUD's new moderate-income multifamily rental housing programs. In addition, Mr. Hamilton indicated he would meet with HUD staff on the provision of 300 units of housing for Hunters Point and other issues concerning Inchon Village. President Wexler asked if Mr. Hamilton expected to be back for the February 5, 1980 meeting, and he replied he anticipated being back but was not certain. President Wexler indicated that the Request for Qualification (RFQ) for Yerba Buena Center needed to be calendared for consideration as early as possible.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 17-80 BE ADOPTED.

- (g) Resolution No. 18-80 authorizing attendance of the NAHRO Bichapter meeting.

Authorization is requested for the attendance of five persons at the NAHRO Bichapter meeting of January 21 to 22, 1980 in Monterey. Workshops will be held which cover a number of issues of current interest to the Agency. Of particular importance is an outline of the legislation which will govern the State's

NEW BUSINESS (continued)

expenditure of the \$100 million fund established by the State for housing. Travel costs and registration are estimated at a maximum expenditure of \$800.

ADOPTION: IT WAS MOVED BY MS. SHELLEY AND SECONDED BY MS. BLOMQUIST THAT RESOLUTION NO. 18-80 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Lee
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

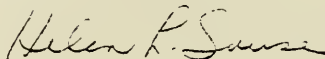
Mr. Porter

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

ADJOURNMENT

It was moved by Ms. Shelley, seconded by Mr. Porter, and unanimously carried that the meeting be adjourned to an executive session. The meeting adjourned at 6:40 p.m.

Respectfully submitted,



Helen L. Sause
Secretary



SF
R35
#4
1/22/80

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
22ND DAY OF JANUARY 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 22nd day of January 1980, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Parree Porter, Vice President
Charlotte Berk (joined the meeting at 4:30 p.m.)
Dian Blomquist
Joan-Marie Shelley

and the following were absent:

Rubin Glickman
Melvin D. Lee

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Benny Stewart, Mary Rogers, and Dexter Woods, Western Addition Project Area Committee (WAPAC); Alvin Norman, A. Andrews, Archie Briggs, J. Wiseman and John Christian, Bayview-Hunters Point Joint Housing Committee (JHC); Mary Jane Staymates and George Stewart, Western Addition Neighborhood Association (WANA); Ted Frazier and Willie Beasley, San Francisco Coalition; Jerry Diamond, Brotherhood in Action; Webster Robertson and Jerry Moore, Imperial Protective Agency; Winston Mathis and Eleanor Reid, Cal State Patrol; George Holland and Obron Brezel, O and B Security; Henry Gage, Albert's Patrol Service; Harold Brooks, Jr., B. D. Inc., Byron Nishkian, Yerba Buena West; and Henry Lee, Jonathan Head, and W. Alfred, interested citizens.

Representing the press were Jerry Adams, San Francisco Examiner; and Mike Mewhinney, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Shelley, seconded by Mr. Porter, and unanimously carried out that the minutes of the Regular Meeting of December 18, 1979, as distributed by mail to the Commissioners, be approved. It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that the minutes of the Executive Meeting of January 15, 1980, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) A letter has been received from Mr. Henry Dishroom, Department of Housing and Urban Development (HUD) Area Manager, addressed to Mayor Dianne Feinstein indicating that the allocation of subsidized housing units for San Francisco for fiscal year 1980 is to be less than previously indicated. This allocation reduces the commitment of 300 units for Hunters Point to 200 units, and the 150 units of elderly housing for El Bethel to 100 and Jones Memorial of 50 units

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REPORT OF THE EXECUTIVE DIRECTOR (continued)

to a total of 100 units in Western Addition A-2. Mayor Feinstein, who is now in Washington, D.C., has asked staff to prepare a response expressing her concern about this reduction for her meeting with Mr. Lawrence B. Simons, HUD's Assistant Secretary, in Washington, D. C. The letter does not make clear as to whether this deferral of the commitment is related only to this fiscal year. The Agency is concerned that HUD is apparently not honoring its commitment. Staff will continue to work with the Mayor to resolve the issue satisfactorily.

- (b) The California Department of Forestry has awarded the Agency and the San Francisco Housing Authority an additional grant of \$20,000 as a result of a joint application filed August 15, 1979. This amount is in addition to a \$10,000 grant received previously raising the total amount to \$30,000. This money is to be used for a demonstration planting of windbreaks and trees at the Housing Authority's Hunters View Rehabilitation Project and on adjacent Agency land in Hunters Point. Staff is now completing plans for these plantings. Participation of area residents in the planting will be encouraged. Mr. Hamilton noted that the combined grants comprise the largest award made for a single demonstration planting under the State's Urban Forestry program.

NEW BUSINESS

- (a) Resolution No. 22-80 authorizing the Executive Director to contract with the Bayview-Hunters Point Joint Housing Committee as the project area committee for the Hunters Point and India Basin Industrial Park projects.

RULE OF THE CHAIR: President Wexler indicated that subject to the objections of any Commissioner that Resolution No. 22-80 would be held over until the Agency meeting next week. There being no objection, it was so ordered.

At this point, Ms. Berk joined the meeting at 4:30 p.m.

- (b) Resolution No. 23-80 awarding Site Improvement Contract No. 28 to Robert Quatman, Inc., Hunters Point Approved Redevelopment Project Area.

This item concerns award of Site Improvement Contract No. 28 to the lowest of four bidders, Robert Quatman, Inc. for \$31,965.30. The contract provides for planting street trees along a portion of Whitney Young Circle. The firm's affirmative action and safety programs comply with the Agency's requirements and it has satisfactorily completed a major street tree planting contract in Hunters Point.

In response to Ms. Berk's inquiry, Agency General Counsel Leo E. Borregard explained that there was a variation in the resolution format but staff is planning to standardize the form of the resolutions to make them more uniform.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 23-80 BE ADOPTED.

- (c) Resolution No. 24-80 awarding to Saagan Moving and Storage Company the contract for moving the Hunters Point/India Basin Industrial Park office.

This authorizes award of a contract to move the Hunters Point/India Basin office to the Burnett School. Five bids were received for this move and it is recommended that the Agency execute a contract with the lowest bidder, Saagan Moving and Storage Company for an amount not to exceed \$3,134.

Mr. Porter inquired why Burnett School was chosen over Jedediah Smith School. Mr. James Wilson, Area Director for Hunters Point and India Basin, responded

NEW BUSINESS (continued)

that project activities generally were moving west toward Third Street and toward Bayview-North. All of the residential clearance has been completed on top of the hill and India Basin is in its final phase. Since the development effort is toward Third Street, the Agency is moving closer to Third and honor a commitment made to the residents of that area to have an Agency site office in that general area. It is anticipated that activities in the future will primarily be in that area, and the Agency had been asked by to make use of excess space in the city schools.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 24-80 BE ADOPTED.

- (d) Resolution No. 25-80 authorizing the Executive Director to contract with the Western Addition Project Area Committee (WAPAC) as the project area committee for the Western Addition Approved Redevelopment Project Area A-2.

RULE OF THE CHAIR: President Wexler indicated that subject to the objections of any Commissioner that Resolution No. 25-80 would be held over until the Agency meeting next week. There being no objection, it was so ordered.

- (e) Resolution No. 26-80 authorizing the Executive Director to enter into a contract with Miles Electric Company to provide installation of underground electric service at 1698 Sutter, 1700-18 Laguna, and 1899 Bush Streets, Western Addition Approved Redevelopment Project Area A-2.

This item seeks authorization to award a contract to the lowest of three bidders, Miles Electric Company, for \$6,425 for underground electrical services in Agency-owned buildings at the above-mentioned addresses. These properties are scheduled for rehabilitation in the near future and it is important to proceed with undergrounding at this time because the buildings are still occupied. They are the only buildings in their respective blocks where undergrounding has not yet been completed. Once this work is performed the overhead poles can be taken down. President Wexler indicated his pleasure in seeing bids that are lower than the staff estimates and he inquired about staff's view of the reason for this. Mr. Frank Cannizzaro, Chief of Engineering, indicated that money was becoming tighter and there was less work around, therefore, bidders were submitting lower bids.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 26-80 BE ADOPTED.

- (f) Resolution No. 27-89 authorizing the Executive Director to enter into a contract with the Imperial Protection Agency for security guard services, Western Addition Approved Redevelopment Project Area A-2.

Authorization is requested to contract with the lowest of five firms submitting bids for security guard services. The lowest bid was submitted by the Imperial Protective Agency for an amount not to exceed \$116,364. Staff had proposed earlier to contract for security guard services on two bases: (1) for as-needed guards to use in emergency situations and the site office security personnel under one contract, and (2) a second contract for a burglar alarm system to be installed in rehabilitated buildings. Further investigation of the burglar alarm type contract indicated that additional costs and problems would be entailed in attempting to secure such an alarm system. Staff, therefore, included a requirement in the security guard contract which provided for a "key clock device" to monitor the five Agency buildings currently under contract for rehabilitation. This key clock at each location on the inspection route, which would insure

NEW BUSINESS (continued)

continual monitoring of these buildings. This key clock system will be used as an interim measure and future rehabilitation contracts will require the contractor to provide for such security. The contract recommended for approval provides a total of 19,394 hours of security services as follows: area office security, 2,600 hours; "as needed" guard services, 10,000 hours; and key clock patrols 6,800 hours. The Imperial Protective Agency is a minority-owned firm located in Daly City and although the firm has not previously worked for the Agency it has presented satisfactory references which have been thoroughly checked. Staff has met with Imperial and reaffirmed their acceptance of the contract and has also discussed the use of community persons in the firm's work force. Mr. Hamilton recalled for the Commissioners that specific language in the "invitation to bid" provided a 15 percent range in which area-based contractors would be given preferential consideration. Any bid submitted by an area-based contractor within 15 percent of the low bid would be awarded the contract. In this case, the low bid by area-based contractors was substantially over the 15 percent range. Staff recommends approval of the contract to Imperial Protective Agency for an amount not to exceed \$116,364 for this one-year contract.

Mr. Jerry Diamond of Brotherhood in Action indicated that the safety and security of Western Addition A-2 residents is of great concern because of concerns about crime and undesirable elements. He urged that the Agency not award the security guard contract to the Imperial Protective Agency because he believed it was impractical to deal with a firm from outside the Western Addition area which would be unable to provide the immediate emergency response and service to the residents as would a firm physically located within the project boundaries. He also believed that the firm would not be paying a livable wage to its guards who would then otherwise be prone to shirking their duties. He suggested that either Cal State Patrol or Albert's Patrol be considered since both are in the area and were familiar with its problems and had also actively dealt with community organizations and the problems concerning juveniles. He believed Cal State Patrol had done a good job in providing adequate patrol services and had attended to the needs of community residents and other organizations. In his opinion, a Daly City-based firm would not have the necessary cooperation of the community. Both of the firms he suggested could provide the type of services needed by the residents.

Mr. Diamond presented an award to Mr. Hamilton on behalf of the Brotherhood in Motion group, of which he was the Chairman, in recognition of the outstanding job done by Mr. Hamilton. He indicated that his group gave its vote of confidence to Mr. Hamilton and that the award was given because Mr. Hamilton deserved it. Mr. Hamilton responded that he was deeply appreciative of the award and thanked Mr. Diamond.

Mr. Henry Gage of Albert's Patrol Service indicated that he would like to speak after the Commissioners had made their decision, and President Wexler responded he could do so. Mrs. Mary Rogers, Chairperson of the Western Addition Project Area Committee (WAPAC), requested that all bids be rejected and that the Executive Director be authorized to negotiate the patrol contract. She believed that the Agency was adverse to negotiating contracts in Western Addition although this was done in other areas. She also believed that the community wanted someone from the area to provide the patrol services. In response to President Wexler's inquiry, she indicated that the patrol services being provided by a firm from outside San Francisco concerned her because of the potential difficulty in getting the firm to come in on weekends and at nighttime when problems arise.

Mr. Arnold Townsend, Executive Director of WAPAC, indicated that in connection with the question of negotiating a contract had been considered previously and

NEW BUSINESS (continued)

and the Commission had decided that it should be put out to bid. It was the third time this particular contract had been before the Agency. He alleged that the Agency had negotiated a similar contract for Incheon Village and protested award of the contractor from Daly City because he wanted to have San Francisco minority people involved and not someone from out of the area. He believed that such contracts should be negotiated but instead were bid and he did not understand the rationale behind the Agency's procedures. He also believed that there were many community-based people who could do this work.

Mr. Willie Beasley came forward and indicated that he was not representing any group. However, he questioned the use of the clock system and asked about the times and buildings the guard would service. He also asked how much money was to be paid to the guards. He was concerned that the award was based on the money the contract would cost rather than the main factor which was the security of the persons and the buildings. He believed a firm near the area could provide better security. He also inquired if the guards would be armed or unarmed and he suggested that if they were not armed two persons should be required for each patrol. If these are armed guards, then they will want more money. He believed it would be better to discuss these points before awarding the contract. Mr. Jerry Moor of the Imperial Protective Agency indicated that he had been in business and had lived in the community prior to his move to Daly City. He indicated he had an excellent relationship with the San Francisco Police Department and had worked as an undercover agent in the Western Addition A-2 area. He was familiar with the area and the various needs of that community and could provide services for a small amount of money as he was eager to do a good job and took pride in his work. He was fully trained in all aspects of applicable laws and codes and would not find it difficult to provide appropriate services or to work with the public. His firm would be on call at any time of the day or night.

Mr. Hamilton indicated that on the question of whether the security guard contract should be negotiated or bid, and he noted that it had been consistently Agency policy to bid contracts of this nature. He indicated that 15 percent preferential consideration policy was developed to provide a maximum opportunity for the participation of area-based contractors. He noted that under this policy which has been included in the public solicitation of bids over the past few years community-based contractors had benefited from that policy and have been awarded the contract. These are the first bids that did not fall within the 15 percent preference range and were between 30 to 35 percent over the low bid.

Mr. Earl Mills, Deputy Executive Director for Community Services, explained that the key clock system essentially was one where the guards carry a clock device with tapes and turn a key in the corresponding clock on each of the buildings. In so doing, the time of inspection is automatically recorded on the tapes which verifies the inspection. Mr. Mills noted that Mr. Webster Robertson who is the owner and operator of Imperial Protective Agency was present and could answer any questions regarding this system, as well as any regarding his firm. Mr. Mills indicated staff had investigated the firm and believed it had the ability to do a good job.

Mr. Hamilton asked about the wages to be paid and Mr. Mills responded that the contracts requires that any person working for the firm would not be paid less than \$3.50 per hour. It has been ascertained that the prevailing wage is \$3.25 per hour. Staff had discussed this with the contractor and he is willing to proceed and pay \$3.50 per hour, plus additional money for experienced guards he may hire. The Federal labor standards indicated a wage of \$4.14 but it is the local minimum wage or prevailing wage of \$3.25 is what is to be paid.

NEW BUSINESS (continued)

President Wexler inquired about the firm's references, and Mr. Mills replied that owners and operators of businesses serviced by the firm in the San Jose and Daly City areas where it had worked highly recommended Imperial. President Wexler asked if the guards would be armed or unarmed, and Mr. Mills responded that the guards would be armed and would work singly and be in radio contact with one another. Mr. Porter inquired how long Albert's Patrol had been working in the area and if it had investigated the clock system. He also inquired about the services provided by the firm. Mr. Mills indicated that the invitation to bid required a proposal on the key clock system. The performance of Albert's Patrol has been adequate and the firm is equipped to handle the key clock system. Mr. Porter suggested that the contracts had always been negotiated but Mr. Mills responded that for several years the contracts had been bid. Other types of service contracts have been negotiated, but not security guard contracts. In response to Mr. Porter's inquiry, Mr. Mills responded that originally staff had recommended that security guard contracts be negotiated but the Commissioners had requested that they be bid. Mr. Porter inquired about the burglar alarm system, and Mr. Mills replied that this was not a part of the new contract and in the future the rehabilitation contractors will install such systems. Ms. Blomquist noted that the contract represented 19,000 hours and asked if this included time for 24-hour service on the Victorian Square and San Francisco Housing Authority's buildings, and Mr. Gene Suttle, Area Director for Western Addition A-2, answered affirmatively and commented that the Agency would be responsible for providing security for 951 Eddy Street until February 1, 1980 and would then be taken over by the Housing Authority. President Wexler asked about the duties of the site office guard, and Mr. Hamilton responded that these duties were similar to that of the Agency's security guard. Mr. Hamilton recalled that these contracts had been negotiated prior to the establishment of a policy that bids would be taken with the 15 percent preference to area-based contractors. Mr. Porter indicated he was opposed to the award of this contract to a firm outside the city. He commented that the Mayor had encouraged private sector firms to employ San Francisco residents and he believed the Agency should follow suit and do what it could to set an example. On these grounds he was opposed even though he believed Imperial Protective Agency was qualified.

MOTION: It was moved by Ms. Blomquist and seconded by Ms. Berk that Resolution No. 27-80 be adopted.

Mrs. Rogers inquired why this contract could not be negotiated and urged that minority contractors not be compelled to bid against one another. President Wexler responded that the decision concerning how the contract would be awarded was decided at the time authorization to seek proposals were approved by the Commission. Mrs. Rogers believed that only Western Addition A-2 contracts had to be bid and other contracts the Agency awarded were negotiated.

President Wexler inquired about the Agency's capacity as a State Agency to differentiate between San Francisco and non-San Francisco bidders; he believed the Agency has an ability to give preference to area-based contractors or minorities but preference because of San Francisco and non-San Francisco bidders. Agency General Counsel Leo E. Borregard agreed indicating that it was his recollection that the term "area" applies to "area-based" and not to the city as a whole. The Agency has made a policy determination that 15 percent preference was the over the low bidder means of implementing a preference for area-based firms but there is nothing relative to the entire city of San Francisco. Mr. Hamilton inquired if the Agency could use such a criteria to reject the bid of a non-San Francisco firm which was the otherwise low bidder and had the capacity to do the work and President Wexler indicated that as a State agency it could not reject a firm just because it was located outside the city, and Mr. Borregard concurred explaining that the bid solicitation made no differentiation that required a firm to be San Francisco-based.

NEW BUSINESS (continued)

Mr. Porter recalled that bids had been rejected and contracts negotiated afterwards and suggested that this could be done again. Mr. Hamilton indicated that this was a matter of policy for the Commissioners to determine but the 15 percent preferential clause was developed to address the question of how an area-based firm can have preference. The community had agreed to this policy and the Agency now has a minority contractor submitting an acceptable bid and area-based firms had an equal opportunity to participate. He believed this precluded the Agency from making a distinction on the basis of location of the firm. Mr. Borregard agreed reiterating that there was nothing in the bidding documents given as a basis for rejection that the bidder was not from San Francisco.

President Wexler inquired if in the future for this type of contract when it is put out to bid there was a possibility of limiting the bidders to San Francisco, and Mr. Hamilton responded that he did not know if that was legal or not. It had been proposed previously but rejected because it was determined that it was not possible to determine what could be considered a competitive bid unless firms from outside the community also bid. It is the Agency's policy to invite outside bids.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST AND SECONDED BY MS. BERK THAT RESOLUTION NO. 27-80 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

Mr. Porter

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

Mr. Henry Gage of Albert's Patrol Services indicated that he had had the contract for three years and wished to express his appreciation of the enjoyable working relationship he had had with the staff of the Agency.

- (g) Resolution No. 28-80 authorizing amendments to contracts for legal services in condemnation and quiet title actions with the law firm of Rogers, Vizzard and Tallett, Western Addition A-2, Stockton/Sacramento, and India Basin Industrial Park Approved Redevelopment Project Areas.
- (h) Resolution No. 29-80 authorizing the Executive Director to enter into an agreement for legal services, Northeastern Waterfront Survey Area.
- (i) Resolution No. 30-80 authorizing the Executive Director to enter into an agreement for legal services, Bayview Industrial Triangle Survey Area.

These first two items approve amendments to continue the legal services contracts with Rogers, Vizzard, and Tallett for the Western Addition A-2 and India Basin project areas for condemnation litigation services. These amendments are necessary to cover current and anticipated future fees. It is also necessary for the Agency to obtain specialized legal services in connection with proposed

NEW BUSINESS (continued)

acquisition activities for the Northeastern Waterfront. The firm has provided excellent legal services to the Agency and is thoroughly familiar with the Agency's programs, policies, and regulatory requirements, and staff believes it would be most efficient to continue to contract with them for condemnation legal services. The hourly billing rate of \$50 is extremely fair for such specialized services and staff recommends approval of the following: (g) a \$10,000 amendment to an existing legal services contract for condemnation litigation in Western Addition A-2, increasing the maximum amount payable thereunder to a total of \$90,000; for India Basin an increase of \$10,000 to a total of \$55,000; and (h) execution of an agreement for legal services for an amount not to exceed \$5,000 for condemnation services regarding the Northeastern Waterfront Survey Area; and (i) authorization of an agreement for legal services with Rogers, Vizzard and Tallett for an amount not to exceed \$10,000 for condemnation services in the Bayview Industrial Triangle Survey Area. Mr. Hamilton indicated that funds were available for these contracts and staff recommends approval.

Mrs. Rogers commented that the staff was proposing to negotiate these three contracts when it had just indicated it could not negotiate contracts. She commented that this legal firm had had the contract since 1969 and had continued to provide services through contractual amendments and she inquired why the same thing could not be done with the security guard contract instead of having black people competing for contracts. She noted that this contract had been amended three times and urged that this contract put out to bid. She alleged that decisions were being made behind closed doors which was illegal and were in violation of the Brown Act. She threatened to take the matter to the courts and urged that the Commissioners not act on these contracts today. President Wexler denied the validity of such accusations. Mr. Townsend inquired what the racial makeup of the firm was and what had been done actively regarding the affirmative action program. He believed that if the Agency negotiated contracts with this firm it should have a good record in the hiring of minority people. Mr. Hamilton explained that professional services contracts were different from the type of contracts that are bid and legal firms would not respond to bids nor would any professional firm do so. The Agency has had this particular contract for some time and there is a reason for that. Condemnation services are extremely sensitive and are a specialized area of law which required a legal firm with experience with such proceedings.

Mr. Borregard indicated he did believe that the racial composition of this firm was a three- or four-person office of a white male partnership. He indicated there was no difficulty in holding over these items. President Wexler indicated there were a very few firms doing this work and suggested that Rosco Vizzard be asked what they will do about affirmative action.

RULE OF THE CHAIR: President Wexler indicated that subject to the objections of any Commissioners that Items 9(g), (h), and (i) be held over for one week. There being no objection, it was so ordered.

Mr. Harold Brooks, Jr. of B.D., Inc., commented that contracts being paid with Federal money required an effort to implement an affirmative action program. He was concerned that there were many minority attorneys who were not afforded the opportunity to learn this specialized legal condemnation work.

President Wexler stated that he was unaware of any items where the Agency had violated the Brown Act. Mr. Hamilton indicated he had no information on that either. President Wexler asked Mrs. Rogers to inform the Commissioners of any cases or specific instances where the Commission violated the Brown Act and he would appreciate hearing any details of such instances.

NEW BUSINESS (continued)

- (j) Resolution No. 31-80 authorization to negotiate a professional services contract with Archeo-Tec, consulting archaeologists, for a preconstruction archaeological testing program, Yerba Buena Center Approved Redevelopment Project Area.

This item would authorize the Executive Director to negotiate a contract with Archeo-Tec, consulting architects, for a preconstruction testing program in the Yerba Buena Center project. This would provide for archaeological testing similar to that completed for the convention center. A contract for these services would enable the Agency to move quickly to provide the data necessary for HUD and the State Historic Preservation Office to evaluate as required to permit development to occur. Archeo-Tec is a highly qualified firm with great familiarity of San Francisco and Yerba Buena Center and is the only firm the staff has located that has the capacity and knowledge to conduct a program of this scope. A sum of \$40,000 has been budgeted for these services and staff anticipates being able to negotiate a contract within this budgeted ceiling amount. Staff recommends approval of these negotiations and will bring the contract back before the Commissioners for final approval.

Mr. Townsend commented that this was another negotiated contract with a white firm and he was concerned with the racial makeup of this firm also. He suggested asking staff to ascertain the composition of firms with which the Agency wishes to negotiate. Mr. Hamilton indicated that these matters are raised when staff is in negotiations with the contractor which is a more appropriate time to discuss this issue. This contract is for an even more specialized area of expertise and he knew of no other firm either white or black that could do this work. These issues, however, would be raised in negotiations and the information would be brought back.

Ms. Blomquist inquired about the cost of this work and noted that over \$100,000 had been spent for research on the central blocks and why it was necessary to do this same work. Mr. Thomas Conrad, Chief of Planning, Housing, and Programming, indicated that the contract for the convention center was \$190,000 but costs for that work was paid by the Chief Administrative Office (CAO) although the Agency paid for the original study. In response to President Wexler's inquiry, Mr. Conrad indicated that this did not apply to anything other than the Yerba Buena project and noted that the Environmental Impact Study (EIS) had raised the issue of possible artifacts in that project. President Wexler asked if the Northeastern Waterfront would also require such archaeological work, and Mr. Conrad replied that it may. It is not yet known if these requirements even apply to Yerba Buena Center because the HUD office is going through a reexamination to determine if the archaeological requirements of the National Preservation Act apply and this will not be known until this Thursday. President Wexler commented that if the Agency is required to do this work then it must comply but he believed that it would be more important and productive to use these funds to provide people of middle-income with market-rate housing rather than searching for what may have been in the area. Mr. Hamilton concurred. Ms. Blomquist agreed and expressed the belief that the contract should be bid because there were other archaeological firms capable of providing these services. She suggested that archaeological museums know of firms doing this work. She indicated that San Francisco State University also would know of such groups, and Mr. Conrad responded he had checked with the faculty at Cabrillo College and called other archaeological firms recommended by the State Historical Preservation office and had found only this firm with the capacity to provide these services. President Wexler also noted that professional firms do not respond to a competitive bid and Mr. Hamilton agreed but indicated staff could pursue this further. Mr. Brooks indicated there were individuals doing work and urged that the Wastewater project had used such groups. Mr. Conrad replied that this firm was also doing all the Wastewater Management Program work as well as the convention site.

NEW BUSINESS (continued)

President Wexler indicated he supported Mr. Hamilton's recommendation in these areas of professional services since the bidding approach was not applicable or appropriate. If the negotiations do not work out, other groups could be contacted if there are any.

ADOPTION: IT WAS MOVED BY MR. PORTER AND SECONDED BY MS. SHELLEY THAT RESOLUTION NO. 31-80 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Shelley
Mr. Porter
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (k) Resolution No. 32-80 approving form of the first amendatory agreement between the Agency and Yerba Buena West, a limited partnership, with respect to disposition Parcel 3724-B, Fourth and Howard Street, and authorizing execution thereof, Yerba Buena Center Approved Redevelopment Project Area.

This item authorizes amendment to the land disposition agreement for Yerba Buena West to permit the addition of a sixth floor to the building. The building was designed to comply with the requirements as set forth in Proposition "O" which did not pass. The developers now wish to add an additional floor and this revised design articulates more clearly the entrance and lobby of the building and creates a break in the building along Fourth Street. The Environmental Impact Report (EIR) was amended to reflect the increased height and further amended to include the additional floor. President Wexler asked if staff were still working with the developers on the design, and Mr. Edmund Ong, Chief of Architecture, responded that the model essentially showed the design of the building. He believed it was an acceptable design and that the solution to achieving a "break" of the building's mass had been provided. He noted that there were still some items which remained to be resolved, such as the actual design of the external skin of the building and its relationship to the glass. President Wexler asked about considerations of reinstating the tower proposed initially, and Mr. Ong indicated that the tower had been eliminated because of the height issue and subsequently the developers had agreed to add another of 50,000 square feet. Efforts to develop a tower on the front of the building at the Fourth and Howard corner rather than one floor covering the entire parcel had resulted in an unsatisfactory design. It would have provided an additional 2-1/2 floors but it did not look like a tower because it looked cut off and stubby. This did not seem to be a satisfactory solution nor did it look like the original submission which was a ten- to eleven-story building. President Wexler observed that it appeared the original design was not pursued, and Mr. Ong replied that at the time of designation the developer was concerned about the effects of Proposition O on his original project. The architect and developers then spent money and time and after Proposition O did not pass they were not in a position to go back and redesign the whole building. Mr. Hamilton recalled that the 50,000 square feet required per floor decided the design. President Wexler commented that the tower was dropped out because of Proposition O and again asked if it

NEW BUSINESS (continued)

had been looked at again. Mr. Ong replied that it had but the design was set and it was then a question of time and money to go back and redesign. Mr. Porter asked about the placement of street trees and Mr. Ong responded that they were in the sidewalk right of way.

Mr. Borregard indicated that in keeping with the information Mr. Hamilton gave regarding the administrative amendment that he recommended adding a further resolved clause to the resolution to read as follows: "Further resolved that the construction and operation of the Yerba Buena West development, as hereby amended, will fall within the maximum environmental parameters analyzed in Agency Resolution No. 198-79, and, therefore, no further environmental evaluation is necessary." He suggested that this clause be added as the last paragraph of the resolution and the Commissioners agreed this would be acceptable. President Wexler inquired about the status of obtaining neighborhood retail services into the building as tenants. Mr. Byron Nishkian of Yerba Buena West expressed his appreciation for the Commissioners' continued confidence in this project and indicated that good progress had been made. A grocery store which had been in the area for a number of years would be included almost at the same location as well as a drug firm and a fast food restaurant. In addition, the developers were negotiating with a high quality restaurant and the Bank of Amercia. A number of banks have shown interest. There is also to be a tobacconist and news stand which would almost complete the ground floor leasing and include most of those businesses requested by the community. Over sixty percent of the building is leased before commencement of construction. President Wexler expressed his appreciation and that of the Commissioners for putting into effect the request of the Commissioners and community to provide services for the residents of the area.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 32-80 BE ADOPTED.

- (1) Resolution No. 33-80 authorizing execution of the agreement for community development services with the City and County of San Francisco for the 1980 Community Development Program year.

This item concerns execution of an agreement for Community Development (CD) services between the Agency and the City for the 1980 CD program year. The total budget provided in the contract to the Agency is \$10,022,276. This allocation has been approved by the Board of Supervisors and HUD approval is being delivered today. This agreement will enable the Agency to proceed in drawing down against this CD allocation in order to continue the Agency's program without interruption. The breakdown of allocated funds by project is as follows: Hunters Point NDP, \$2,006,116; Western Addition A-2, \$5,451,993; Yerba Buena Center, \$583,198; Northeastern Waterfront, \$673,615; Bayview North Industrial Triangle, \$1,016,074; and Central Relocation Services, \$291,280, for a total of \$10,022,276.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 33-80 BE ADOPTED.

Mrs. Rogers indicated that some months ago the Ullman Bill had affected development of housing in the country by cutting off funding and it was her understanding that this bill was still in committee. Since it stopped the community from obtaining needed rehabilitation funding under the Marks-Foran Program she suggested that the community and staff work together to resolve the matter so construction could proceed. Banks refuse to lend money until the matter is resolved.

NEW BUSINESS (continued)

Mr. Hamilton agreed with the importance of this issue and recalled that he had testified before the House Committee on the Ullman Bill and was working through the City lobbyist in Washington and NAHRO to obtain a bill that was not detrimental to the Agency. There are other bills more damaging than the Ullman Bill which have been proposed and it has been necessary to formulate a bill that would not damage the Agency's program. It is a national issue and will have a negative effect on San Francisco. When there is something to review and the new form of the bill is out of committee this information will be shared and discussed with WAPAC. President Wexler inquired if there were anything the Commissioners or others could do to get the bill passed now out of committee, and Mr. Hamilton responded that there was nothing at present.

Ms. Blomquist commended the staff for its work on this legislation and suggested also using the efforts of neighborhood community residents to move the bill along. Mr. Hamilton agreed that this would be done when such efforts would be helpful.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Porter, and unanimously carried that the meeting be adjourned to an executive meeting. The meeting adjourned at 6:25 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Helen L. Sause".

Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
29TH DAY OF JANUARY 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 p.m. on the 29th day of January 1980, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Parree Porter, Vice President
Charlotte Berk
Dian Blomquist
Melvin D. Lee
Joan-Marie Shelley (joined the meeting at 5 p.m.)

and the following was absent:

Rubin Glickman

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, Benny Stewart, Lisi Lord, and Susan Cotner, Western Addition Project Area Committee (WAPAC); Mary Jane Staymates, Western Addition Neighborhood Association (WANA); Ted Frazier, Stan MacKenzie, Paul Pan, J. S. Newton, Richard Brenner, Sam Martinez, W. Beasley, A. Brumminger, J. Newt, K. Johnson, San Francisco Coalition; Jerry Diamond, Brotherhood in Motion; B. Cooke, Women in Apprenticeship, Inc.; Gregory Sohol, Metro Park; John Elberling, TODCO; Jack Young, Genge Consultants; W. D. Hautt, R. D. Peterson, and Kirk Usher, Bridgemont High School; Harold Brooks, Jr., John Christian, Claude Carpenter, and Alvin Norman, Bayview-Hunters Point Joint Housing Committee; Isabel Ugat, SOM Community Assn.; and C. Krause, D. Gee, J. Narcise, C. Dexter, H. Lee, Sylvester Brown, and members of the Gray Panthers, interested citizens.

Representing the press was Jerry Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of July 17, 1979, as distributed by mail to the Commissioners, be approved.

President Wexler announced that item 9(h), authorizing the Executive Director to enter into an Agreement for Legal Services with Rogers, Vizzard & Talbot, Northeastern Waterfront Survey Area, on the meeting agenda regarding the San Francisco Coalition contract would be held over because material requested by the Commission was just received before the meeting. He indicated his understanding that there were sufficient funds to continue the current agreement one week and Mr. Hamilton concurred noting that since the contract is expiring he recommended that the Commissioners authorize a one-week extension of the contract.

NEW BUSINESS (continued)

- (a) Resolution No. 34-80 approving the method of sale and minimum sales prices for Lots 1 through 16 in Site S-4, located on Whitney Young Circle, Phase III, and making certain findings and determinations in connection therewith, Hunters Point Approved Redevelopment Project Area.

This concerns authorization of a marketing and development program for the sale of 16 lots in Hunters Point. The authorization also includes approval of the sales prices which have been established by the reuse appraisals. These parcels were originally included as one of the five sites offered in the Phase 3 area. All proposals were rejected for this site, Site S-4, and the Commission requested staff to develop a program responsive to community requests for sites on which individuals could develop homes for area residents. The program which has been formulated includes a process for identifying former or current residents of Hunters Point interested in building one to three houses on the individual lots in which they would live or would sell to current or former residents. A massive mailing and informational distribution campaign will be undertaken to inform former residents and the community of this unique opportunity. The program includes a four-months' marketing effort and Certificate of Preference holders will be given selection priority during the first six weeks. The marketing approach will permit staff to undertake negotiations with qualified developers and when the Land Disposition Agreements (LDA) are negotiated with selected developers, public hearings will be scheduled and calendared for the Commissioners' action. This program is the result of extensive meetings with the Bayview-Hunters Point Joint Housing Committee (JHC) and many individuals. Adoption of the proposed marketing and development program for these sixteen lots is recommended.

Ms. Blomquist expressed her belief that this was an excellent program for providing low-cost housing. She inquired about an anti-speculation clause, particularly for developers of more than one parcel. Mr. Hamilton responded that since this was market-rate housing no limit was proposed on profits. Ms. Blomquist believed that the price of the land was quite reasonable and suggested that the land disposition agreement incorporate anti-speculation language. Ms. Blomquist indicated that the land price was less expensive than anywhere else and she hoped that the savings could be passed onto the buyer. Agency General Counsel Leo E. Borregard indicated that it was possible to write something in the agreement if there was the desire of the Commissioners. President Wexler noted his understanding that there was presently no price limitation on any other market-rate units, and Mr. Hamilton concurred. President Wexler stressed his belief that if the Agency intended to place controls on market-rate parcels other areas would be more suitable for consideration for such restrictions such as a developer who was doing a whole site not just one to three units.

Ms. Judith Hopkinson, Director of Development, indicated that the only development currently underway in the area is being done by R and J Futuristic which does not have this provision in their disposition agreement. Ms. Blomquist inquired about the sales prices for those units, and Ms. Hopkinson indicated that the market would establish the sales prices of the units. The units to be built on S-4 are for the occupancy of individuals. Ms. Blomquist commented that the development process provided low-cost land to developers to reduce housing costs and she reiterated her concern about speculation. Ms. Hopkinson indicated the market would establish the values and noted that there are no comparables in the Hunters Point area for units selling in the \$100,000 range so the values of these homes

NEW BUSINESS (continued)

and the loans that can be financed will be in keeping with these comparables. Ms. Blomquist urged that these considerations be incorporated in future proposals and asked Ms. Hopkinson also to find a way to shorten the time on the preparation of the LDA's. Ms. Hopkinson indicated that the selected developers have more to do than negotiate the LDA. They have to obtain a contractor and financing so that when the LDA is signed the project is ready to go and the major portion of the design work is also done by that time. Only the permits remain to be obtained from the City and there is no way to expedite these.

Mr. Lee noted that the lots were from 1,875 square feet to 5,360 square feet and inquired why the marketing program specified a minimum of 900 square feet for the units to be developed. Mr. Hamilton responded that it was necessary to establish a minimum for the units and Mr. Lee suggested raising the minimum because he believed the 900 square feet was suitable for a one bedroom but he believed that two- to three-bedroom units were needed for family housing and therefore a minimum of 1,200 square feet would be more appropriate. President Wexler recalled that the other units to be built in Phase 3 ranged from 1,200 to 1,500 square feet and Mr. Walter Yanagita, Agency Architect, concurred. President Wexler commented that there were 16 parcels and of these it was probable that only a small number would be under 1,200 square feet. Mr. Lee objected to units which were below 1,000 square feet.

Ms. Hopkinson indicated that new developers have a better chance of success with smaller units because of the high cost of construction and it would allow more people more flexibility if there was a realistic minimum set. Mr. Lee agreed but was dissatisfied with 900 square feet as the minimum. Mr. Hamilton indicated that the community had approved this and knew what it cost to build. He believed it should have an opportunity to develop these parcels without major inhibitions. Mr. Lee then inquired about the priority of certificate holders and Ms. Hopkinson replied that for six weeks after the offering certificate holders would have a priority after completion; if there are any unsold units there would be a four-week period during which the units would be marketed only to certificate holders and if there are no purchasers then anyone could buy the units. President Wexler asked if this was six weeks for certificate holders and then ten weeks when anyone who resided inside the Hunters Point zip code area could buy the units and Mr. Hamilton responded affirmatively and noted that the JHC had approved this approach.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 34-80 BE ADOPTED.

President Wexler expressed approval of the close working relationship between the community and staff, and indicated that he would like to see this done on similar sites.

- (b) Resolution No. 22-80 authorizing the Executive Director to contract with the Bayview-Hunters Point Joint Housing Committee as the project area committee for the Hunters Point and India Basin Industrial Park Projects.

This item concerns renewal of the citizen participation contract with the Bayview-Hunters Point Joint Housing Committee (JHC) for the Community Development (CD) Program year, February 1, 1980 through January 31, 1981. The current

NEW BUSINESS (continued)

contract expires January 31, 1980. Under the contract, the JHC will continue to provide advice to the Agency in matters pertaining to affirmative action monitoring, developer review and recommendations, planning and programming for project activities, and selection of candidates for employment with firms established in India Basin Industrial Park. The budget agreed upon between the JHC and Agency staff and approved by the Board of Supervisors is \$103,291, which represents an increase of approximately 15 percent above the \$90,000 in the 1979 JHC budget. This increase is attributable to reclassification of one employee to accommodate a change in program emphasis, increase in responsibility of the JHC secretary, bringing the community representative position into parity with comparable Agency positions, and absorption of inflationary effects. In addition to this amount, the JHC had requested \$3,750 to cover projected salary increases which would be effective July 1, 1980. The Board of Supervisors deleted this sum and staff will subsequently recommend amendment to the contract to provide this amount.

Mr. Jerry Diamond, Brotherhood in Motion, commented that such organizations represented the position of the community. If WAPAC and the JHC was not funded a vacuum would be created which would be filled by elements of dissatisfaction and malcontent who may not be rational or responsible. He indicated that his comments were based on his past experience. Mr. Porter asked Mr. Diamond to elaborate on his indication that there were elements of discontent in the community. Mr. Diamond responded he did not care to divulge the names of anyone. Mr. Porter indicated he had worked with the community organizations in an attempt to identify elements of discontent but was unable to find them. The people he had contacted indicated that the community organizations were serving the community and that they were satisfied with the organizations. Mr. Diamond noted that he was addressing both the JHC and the Western Addition Project Area Committee (WAPAC) contract and that there were discontented persons in the projects but he again declined to identify who they were. Mr. Porter indicated his efforts to find such an element on behalf of the Commissioners but he was unable to do so. He noted his familiarity with the problems of community organizations and blacks but in his opinion there was no point to covering old ground from the past and asked again for any information on dissatisfied elements. Mr. Diamond indicated he had not intended to contradict Mr. Porter's findings and that most of the organization members were rational but there were a few who resorted to the use of weapons.

Mr. Arnold Townsend of WAPAC indicated his understanding of Mr. Diamond's remarks to dissatisfaction with the redevelopment process and not with the project area committees.

Ms. Blomquist inquired about the budget for regular and special meetings and workshops, and Mr. Hamilton replied that these included the National Association of Housing and Redevelopment Officials (NAHRO) conferences. Mr. James Wilson, Area Director for Hunters Point and India Basin, indicated that for the last several years the community had also participated in an annual orientation workshop. The board members received \$15 per meeting to cover personal expenses while attending the meetings. President Wexler indicated that in his opinion it was vital that as long as there are significant activities in these projects a project area committee funded should be continued to be funded. It was also important for the community to have paid staff people and this should not depend on whether the JHC or WAPAC agreed or disagreed with any particular policy adopted by the Commissioners. He noted however that the funding level for these agreements is determined by the Board of Supervisors and not the Agency and the duties of the Agency include insuring compliance with those contracts and maximum participation in elections so that the community is broadly

W BUSINESS (continued)

represented. He was in favor of encouraging project area committees. He indicated he would appreciate having copies of the JHC meeting minutes on a regular basis and suggested that these be prepared in a more uniform fashion to reflect the actions taken by the JHC and how its members voted either for or against the motions, as well as the names of those present. Mr. Wilson indicated that the JHC had in the past provided such information but this last year there had been a great deal of turn over among staff so that those who were unfamiliar with their jobs had been responsible for these records. He indicated there would be an improvement and that the information would be made available to the Commissioners on a regular basis through staff.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 22-80 BE ADOPTED.

At this point, Ms. Shelley joined the meeting at 5 p.m.

- (c) Resolution No. 25-80 authorizing the Executive Director to contract with the Western Addition Project Area Committee as the project area committee for Western Addition A-2.

This concerns a request to extend the current contract with WAPAC, which expires January 31, 1980, for one month at the current level of budget authorization at 1/12th of the 1980 authorization, which is \$9873.07. This extension will allow the Agency's fiscal staff and WAPAC to execute an orderly closing of their books. The Agency's computation shows an overrun of \$4,576.79 and the Board of Supervisors will be asked to authorize an additional expenditure of Community Development funds to cover the outstanding obligation when this amount is determined. In response to President Wexler's inquiry; Mr. Hamilton indicated that the approximate \$4,600 could be approved subject to the Board of Supervisors. Mrs. Jane P. Hale, Assistant Executive Director for Finance and Administration, indicated that the one month extension was \$9,873.07 as one-twelfth of the annual funding authorized by the Board of Supervisors in the amount of \$118,476.84. Ms. Blomquist asked if the contract that would be brought back was for 11 months, and if she could have a breakdown of the administrative expenses in the interim. Mr. Hamilton indicated that this information would be provided.

President Wexler asked if the Commissioners could also receive copies of WAPAC's minutes on a regular basis, and Mr. Hamilton responded affirmatively. Mrs. Mary Rogers, Chairperson of WAPAC, indicated she was present but with mixed feelings because there seemed to be an undercurrent about what was going on in the project area. She indicated there was always a problem about the budget every year and if the Commissioners had need of any information they should send a letter requesting it and they would receive whatever information was wanted. She indicated WAPAC was not funded sufficiently to do what it wanted to do and there was not enough money to do all the mailings it wanted to do, which is the reason the budget was overrun. She hoped to keep the community informed with a newsletter but with a small staff this proved to be impossible. The staff had tried to cut back but it is not working and she believed the Board of Supervisors and community wanted meaningful citizen participation but more money was needed to accomplish that. She indicated she volunteered her work and time without pay and that providing copies of minutes was not a big problem. President Wexler indicated that his request for minutes had nothing

NEW BUSINESS (continued)

to do with the ability to act on funding either the JHC or WAPAC but rather pertained to on-going information he would like to have. She indicated the request should be in writing, and President Wexler indicated staff would make the request. Mr. Townsend indicated that WAPAC's minutes would be provided but noted that these minutes were taken by lay persons since WAPAC's secretary had been removed. He believed that WAPAC needed more money to do its work and urged that the Agency ask the Board of Supervisors to reconsider WAPAC's funding. He was also concerned that Mr. Harvey Rose, the City's budget analyst, had not discussed with WAPAC any of the items which had been removed from WAPAC's budget. President Wexler indicated his full understanding of the situation and added that he did not expect professionally-prepared minutes, but wished to be able to determine votes that are taken.

Mrs. Mary Jane Staymates of the Western Addition Neighborhood Association (WANA) expressed her belief that WAPAC may not have the funding it needed but noted there were three other neighborhood groups that were not funded at all but would appreciate having information that is sent to WAPAC. She would like notifications so she could attend WAPAC's meetings. Mr. Porter commented she had mentioned three groups, and he inquired who they were. Mrs. Staymates responded these were Alamo Square and Beideman Area Neighborhood Group (BANG) and Western Addition Neighborhood Association (WANA). Mr. Porter noted that there were some of the same people on both the Boards of BANG and WAPAC and believed they could provide a liaison role.

Mr. Townsend indicated that he had not formally heard that WANA wished to be on WAPAC's mailing list and that since Mrs. Staymates was next door to WAPAC's office, he believed communication with her should be facilitated and that he would put her on the mailing list. He had sent material to members of BANG and often saw them since they were on WAPAC's Board. Mr. Porter noted that several groups had been in touch with WAPAC and that there were representatives from BANG who had participated in meetings held by WAPAC and also that Mrs. Rogers was on both Boards. He believed that WAPAC was doing a fine job and was representing the community's view as well as could be expected on a small budget.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 25-80 BE ADOPTED.

- (d) Resolution No. 35-80 awarding Site Improvement Contract No. 37 to Lewis Merlo, Inc. Western Addition Approved Redevelopment Project Area A-2.

This item concerns execution of Site Improvement Contract No. 37 in Western Addition A-2 to the lowest of four bidders, Lewis Merlo, Inc. for \$10,316. This work provides for the removal and replacement of an existing broken concrete sidewalk adjacent to the elderly housing development at the southwest corner of Golden Gate Avenue and Webster Street. The firm's affirmative action and safety program have been found to be satisfactory and it is recommended that this contract be awarded to Lewis Merlo, Inc.

At this point, Mr. Porter excused himself and left the meeting at 5:45 p.m.

Ms. Blomquist inquired what the reason was for removing the existing sidewalk, and Mr. Hamilton responded that it was a broken sidewalk and the Agency's policy when developments are completed to build new ones. Mr. Gene Suttle, Area Director for Western Addition A-2, indicated that it was necessary to have a sidewalk around the housing when it was completed in mid-March. In response to Ms. Blomquist's question he indicated there was 3,200 lineal feet of sidewalk. Mr. Lee indicated his pleasure with the accuracy of the estimate.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 35-80 BE ADOPTED.

this point, Mr. Porter returned to the meeting at 5:50 p.m.

- (e) Resolution No. 28-80 authorizing amendments to contracts for legal services in condemnation and quiet title actions with the law firm of Rogers, Vizzard and Tallett, Western Addition Approved Redevelopment Project Area A-2, Stockton-Sacramento, and India Basin Industrial Park Approved Redevelopment Project Areas.
- (f) Resolution No. 29-80 authorizing the Executive Director to enter into an agreement for legal services with Rogers, Vizzard and Tallett, Northeastern Waterfront Survey Area.
- (g) Resolution No. 30-80 authorizing the Executive Director to enter into an agreement for legal services with Rogers, Vizzard and Tallett, Bayview Industrial Triangle Survey Area.

Mr. Hamilton indicated that Items (e) and (f) approve amendments to legal services contracts with Rogers, Vizzard and Tallett for existing contracts in the Western Addition A-2 and India Basin areas to continue their condemnation litigation services to the Agency. These amendments are necessary to cover current and anticipated future fees. It is necessary for the Agency to obtain these specialized legal services in connection with proposed acquisition activities. The firm has provided excellent legal services to the Agency and is thoroughly familiar with the Agency's programs and policies and it would be more cost efficient to continue to contract with this firm for condemnation legal services. Item (e) is an amendment to the existing legal services contracts in Western Addition A-2 and increases the maximum amount payable to \$90,000 and in India Basin the \$10,000 increase will effect a total of \$55,000 to that contract. Item (f) represents execution of an agreement for legal services not to exceed \$50,000 for condemnation consultation services regarding the Northeastern Waterfront Survey Area. Item (g) also authorizes an agreement for legal services with the firm for an amount not to exceed \$10,000 for condemnation services in the Bayview Industrial Triangle Survey Area. With respect to the services covered by Items (f) and (g), Mr. Hamilton indicated that these were for new contract services for the Northeastern Waterfront and Bayview Triangle. He indicated that there had been discussion with the firm concerning its affirmative action policies and issues of significant minority involvement and agreement has been reached on how these matters can be accomplished; however, Mr. Hamilton requested that these two items be held over until details can be completed.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that Resolution Nos. 29-80 and 30-80 be held over for two weeks. There being no objection, it was so ordered.

In regard to Items (e) Mrs. Rogers asked what the ethnic makeup of the firm's staff was, and Agency General Counsel Leo E. Borregard responded that the two of the attorneys had been there since 1962, and there were two secretaries who had been in that office for ten years and seven years, respectively, and all were white.

Mrs. Rogers urged that this contract be put out to bid and was concerned because the present firm had a monopoly. She asked about amendments to the existing contracts, and Mr. Hamilton replied these were necessary to complete the firm's special services in the area. The two new contracts will be

NEW BUSINESS (continued)

appropriate to discuss the possibility of involving an affirmative action program. Mrs. Rogers inquired what the total amount of the firm's contracts in Western Addition A-2, and Mr. David Oster, Agency Attorney, responded it was approximately \$385,000 plus the present increases. Mrs. Rogers objected to the expenditure of this amount. Mr. Hamilton indicated that these were specialized services not provided by many firms. Mrs. Rogers urged that the Commission contract only with professional minority attorneys from San Francisco.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO.28-80 BE ADOPTED.

- (h) Resolution No. 36-80 authorizing the Executive Director to enter into a contract with the San Francisco Coalition for affirmative action services, Yerba Buena Center Approved Redevelopment Project Area.

Authorization is requested to execute a one-year contract with the San Francisco Coalition for an amount not to exceed \$153,186. The Coalition was formed to provide services as a resource agency for the development of Yerba Buena Center. It represents approximately 40 neighborhood-based organizations which have all expressed concern about or have been active in the affirmative action program for Yerba Buena Center. As development in this particular area increases, it is even more critical that the Coalition provide the means for a united and systematic approach to affirmative action implementation. The contract being considered is essentially the same as the existing agreement with the exception that the Coalition's Board has created the position of Assistant Executive Director, which will provide the presence of someone able to assume directional responsibility in the absence of the Executive Director. In addition, the position of Administrative Assistant has been created but one of the two clerical positions has been deleted. There are also salary increases of seven percent effective July 1, 1980. In addition to the proposed contract the staff intends to request the Office of Community Development (OCD) to provide an additional \$6,000 for the Coalition's use in providing a \$15 fee, a total of \$9,312, for the attendance of members of the Coalition's administrative Board meetings, plus the provision of support services for the annual workshop scheduled for October 1980 for \$1,680. Staff now recommends approval of the contract amount approved by the Board of Supervisors of \$153,186.

President Wexler indicated there had been a request from one Commissioner to withhold action until next week on this item because the material that was requested had not been received until last evening and this morning. Mr. Ted Frazier of the Coalition indicated that he wished to distribute additional material. Mr. Hamilton inquired how this information differed from the earlier material provided, and Mr. Frazier responded that that material was only a rough draft with typographical errors and had not been presented in the proper sequence but there was no significant or substantive changes. President Wexler inquired about the information on the Coalition's placement of persons in the skills bank and asked about the positions filled by the Coalition. Mr. Frazier indicated that the figures submitted represented the Coalition's activities from July 1 to December 31, 1979. These positions represented only those that the Coalition had directed applicants to and not applicants that member organizations had placed.

NEW BUSINESS (continued)

President Wexler asked for additional listing of names of applicants who were placed through these member organizations, as well as the number of applicants and their names which the Coalition had a role in placing. Mr. Porter asked if the skills bank list was circulated amongst employers and Mr. Frazier responded it was and in addition the Coalition worked with employers in the area to obtain information on jobs. Mr. Porter asked that this information also be provided. Mr. Frazier indicated that there was a problem in following up on these people because some may not attribute their placement to the Coalition.

MOTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT THE CONTRACT FOR THE SAN FRANCISCO COALITION BE EXTENDED FOR ONE WEEK.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that Resolution No. 36-80 be held over for one week. There being no objection, it was so ordered.

- (i) Resolution No. 37-80 awarding a personal services contract to Genge Consultants for consulting services in connection with Inchon Village Development.

This concerns execution of a contract with Genge Consultants to provide professional services for the Inchon Village development for \$492,000. Genge will provide a feasibility study, applications, designs, programming scheduling, management, and all other work necessary to the rehabilitation of the 100-unit housing site. Since most of these services require preliminary studies, the contract is written with a very general scope of services which will be further defined by the studies and services performed under a work order issued by the Executive Director, or his designee. Compensation is based on time and material costs incurred by the consultant. It was originally proposed that the contract include \$200,000 for the marketing and sales work; however, this has been deleted and a proposal for accepting this program will be provided to the Commissioners at a later date. Genge believes that the time schedule to complete design, advertise for bids, and do all other processing necessary to obtain a final commitment by June 15, 1980 is an extremely rigorous time schedule but feasible to meet. Staff recommends executing this contract with Genge Consultants because it is the best opportunity to provide the services necessary to meet the schedule for rehabilitation of the units in Inchon Village. Mr. Hamilton indicated he would be meeting the General Services Administration (GSA) staff during his trip to Washington, D.C. to review the Agency's role and schedule. Mr. Hamilton indicated that the first increment of Community Development (CD) funds of \$69,000 was approved by the Board of Supervisors.

Mr. Claude Carpenter of the Bayview-Hunters Point Joint Housing Committee (JHC) indicated that he was concerned about the citizen participation and asked that the contract be amended to cover this matter. Mr. Hamilton indicated that Inchon Village was originally for housing that was occupied by Navy personnel and which is now vacant; therefore, there is no indigenous population that would constitute a typical project area committee. The Agency has agreed to develop Inchon Village particularly since the GSA had placed a tight time schedule upon the Agency. It is fully intended that the JHC and Bayview-Hunters Point Coordinating Council will be brought into the program, as well as other organizations when the sales and marketing programs are developed. The Agency will endeavor

NEW BUSINESS (continued)

to meet community needs and may consider development of a certificate of preference program but primarily the Agency has the responsibility for adhering to certain regulations and a time schedule before the question of occupancy can be considered. Mr. Harold Brooks of the Bayview-Hunters Point Joint Housing Committee (JHC) indicated he appreciated Mr. Hamilton's remarks but recalled that when the shipyard was closed the community was to have been given preference on its occupancy. He urged that consideration of the Genge contract involve minority participation and the matter be continued until this was decided. Mr. Hamilton indicated that Genge has agreed to have a 25 percent minority participation. Mr. Earl Mills, Assistant Executive Director for Community Services, concurred and noted he had discussed this matter with Genge who will work with the staff in meeting these goals for minority businesses as part of that contract and also Genge would hire more women. Ms. Blomquist remarked that it was good to see a percentage of women to be involved whether minorities or not. In response to Ms. Blomquist's inquiry, Mr. Hamilton answered that until work orders were issued, under the terms of the contract, that there would be no obligation incurred. President Wexler asked what the status of the application was on Incheon Village, and Mr. Hamilton indicated it was presently being processed by HUD.

President Wexler asked how the 2.65 times the salary cost was arrived at, and Mr. Frank Cannizzaro, Chief of Engineering, explained that 2.65 percent was the range for services of this type and is derived from standards set by the American Society of Civil Engineers manual in an attempt to arrive at a fixed amount of direct salary cost including fringe benefits. It allows for a range of multiples from 2 to 3; thus, 2 represents the office overhead and is decreased by factors, such as consulting where a good deal of field work is done. Office overhead would not be needed if the Agency provides such office space. It is a standard and fair percentage and represents an approximation of the office value overhead. President Wexler asked if Genge had estimated any margin of profit and Mr. Cannizzaro replied it was in the range of .265 times the salary cost. In response to President Wexler's inquiry, Mr. Cannizzaro indicated that Genge was both a partnership and a corporation which paid substantial profits out to its stockholders and, in addition, the employees had a profit-sharing plan.

Mr. Lee inquired about the services to be provided by Genge which he assumed would cover both architecture and engineering services at a cost of \$120,000 and \$75,000 for a total of \$195,000. He believed the figure was high.

Mr. Cannizzaro replied that the contract included more than "as built drawings" as there would also be a number of construction survey and site development jobs of about \$45,000 out in the field, but it was hoped some of these would not be necessary, although these would be done on a time and material basis. Mr. Lee remarked that he realized it was difficult to make these estimates. Mr. Cannizzaro indicated it was prudent to have consultants available during construction to respond to technicalities that develop and the contract covers this work but again stressed that it may not be necessary to expend all the money since the work is done on a work order basis as needed. He recommended that the project go forward under work orders since it is difficult to know what outside services may be required by the City or HUD.

President Wexler asked about compensation as the maximum charge is not to exceed \$65 per hour, and Mr. Cannizzaro indicated that the multiple included the 2.65 but it would be lower for the nonprincipals' time at an hourly rate of \$40 to \$45. President Wexler considered this figure reasonable and then asked about minority participation. Mr. Mills answered that Genge would make up the 25 percent minority involvement from the firms involved. Mr. Jack Young of Genge indicated that the firm has 45 employees of which 13 were minorities and

W BUSINESS (continued)

six of these were black whose positions were spread throughout the firm. All these employees would be working on this project out of the San Francisco and Oakland office of Genge. President Wexler congratulated Genge on its composition and Mr. Young replied that the 30 percent minority participation was one the firm was proud to have attained.

Ms. Blomquist asked about the homeowners association as mentioned in Item 8 of the contract, and Mr. Hamilton indicated that the Agency was developing condominiums and there were legal and operational requirements. Mr. Thomas Conrad, Director of Planning, Housing, and Programming, concurred noting that this contract involved the creation of condominium documents and bylaws as well as the subdivision of land and these bylaws would be approved by the City's Department of Real Estate and the Real Estate Board in Sacramento. There is a legal requirement for a homeowners association for the first year the project is in operation and this cost is included in the figure provided. President Wexler indicated he looked forward to working successfully with Genge and bringing the project forward expeditiously, according to the time schedule.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 37-80 BE APPROVED.

President Wexler announced that the meeting would be recessed for ten minutes. The meeting recessed at 6:50 p.m.

The meeting reconvened at 7 p.m. with President Wexler and Commissioners Berk, Blomquist, and Shelley present. Mr. Lee joined the meeting at 7:05 p.m.

(j) - Workshop to consider the status of vacant parcels in Yerba Buena Center.

Mr. Hamilton indicated that this workshop was being held to review the proposed uses of the 12 remaining properties in Yerba Buena Center (YBC) for which a developer has not yet been selected. These parcels do not include the three Central Blocks which are the subject of the Request for Qualifications currently being prepared by the Agency. President Wexler indicated his understanding that the workshop was only to provide an opportunity for the Commissioners to have background information on the parcels and allow the public to comment. Mr. Hamilton answered affirmatively.

Ms. Hopkinson referred to the table which is attached hereto and made a part of these minutes, outlining the location, size, use and proposed program for each of the parcels. She particularly noted the parcel which is recommended as a substitute site for TODCO's Site 4 is not included in the 12 parcels under consideration. This property is between the American Telephone and Telegraph building and the parcel designated as No. 9 on the attached material.

President Wexler inquired about the status of the proposal to locate General Services Administration (GSA) in either Parcels 2 and 3 and noted his understanding that the preferred site for GSA was Parcel 1 in Block 3707A. Ms. Hopkinson indicated that staff recommended the GSA use on Parcel 1 but that GSA preferred to have either Parcel 2 or 3. Mr. Hamilton noted that this would be a matter which he would discuss with GSA while in Washington, D.C.

NEW BUSINESS (continued)

Ms. Hopkinson indicated that the parcels designated as 4, 5, and 6, comprised the Taylor-Woodrow Site which was currently a matter of litigation. She noted that this site was proposed for housing uses and the developer encouraged to provide ground floor service commercial along Third and Folsom Streets. On Parcel 7, she noted that there were some constraints to the development of this site. These included noise and air pollution and a stability problem. These had made it unsuitable for use by TODCO for its housing Site 3 and had necessitated finding TODCO an alternate site. Ms. Hopkinson also indicated that Parcel 7 would be difficult to develop because of its location adjacent to freeway on-ramps. For Parcel 9 she recommended institutional development noting that the Agency has received a proposal for such a use on this site. Parcel 10 is proposed for use as a community garden to serve the residents of the area. Parcel 11 consists of only 3,600 square feet which makes its development difficult and is likely to require a parking variance. Parcel 12 has some of the same environmental problems as Parcel 7; however, it will be part of the public offering to be made in March, 1980 for development of downtown support or office uses.

In response to Ms. Blomquist's inquiry, Ms. Hopkinson noted that she had taken the approach of offering parcels publicly for which the use is one in which a number of people would be interested such as office or downtown support services. Where the Agency wishes to achieve some special purpose, then staff has negotiated with specific developers capable of providing such a unique use.

President Wexler expressed the belief that staff should make every effort to locate the GSA building on Site 1 and urged staff to let the Commissioners know if there was any way that they could be useful in accomplishing this. He also supported the proposed combination of Parcels 4, 5, and 6 into a site for market-rate housing when litigation is concluded on the site. He inquired about the date that this would be likely to be cleared, and Mr. Borregard responded that the matter was set for trial in February; however, it is possible that the proceedings may be delayed but he would the Commission advised of the status of this litigation. President Wexler inquired if an appeal of the case would cloud the title of the property and prevent the Commission from proceeding to offer it for development. Mr. Borregard indicated that this would depend on the success of the lawsuit in removing the present "lis pendens" which inhibited the Agency's ability to offer the parcel.

President Wexler noted that if housing was built on Parcels 4, 5, and 6, he believed it was necessary to consider the development proposed for the adjacent Central Block 4. He referred to the map noting Pacific Telephone building on the corner of Third and Harrison and the American Telephone and Telegraph building on Fourth and Folsom and indicated that the TODCO site and the Dimas Alang Housing development were principal occupants of the block. There appeared to be an absence of service commercial and he expressed the belief that the most important goal for Parcel 9 would be to provide for these commercial needs, as well as a use such as housing which would bring greater activity into the area,

Mr. Hamilton concurred in the importance of considering the uses in this block and believed that the institutional nature of the block needed to be reinforced. He noted that there was presently the unique mix of housing, including the proposed interior garden and institutional uses and he believed it was necessary to provide a buffer for the market-rate from the subsidized

BUSINESS (continued)::

housing. He noted that the Mayor's Select Committee has recommended a high school for the Yerba Buena Center area and that the proposal submitted by Bridgemont appeared to carry out this objective. Staff has evaluated the available sites and recommends locating the high school on Parcel 9 as a suitable Institutional use to provide a buffer between the housing development. President Wexler observed that it appeared this use would be supportive of the institutional use rather than enhancing the housing developments. Mr. Hamilton believed that the housing developments were also institutional in character and the high school provided a very compatible use. He also believed that the commercial in the market-rate housing on Parcels 4,5, and 6 would be adequate to serve the housing in the area.

President Wexler indicated that the background information provided to the Commissioners indicated that the three uses acceptable for this site were office, downtown support, and institutional, and he inquired if these were ranked in order of preference. Ms. Hopkinson indicated that they were not. She believed that they could support housing or any special use and indicated that for Parcels 9, 11, and 12, staff had not listed a preferred use but had left this determination open to whatever development could be achieved on these sites. In response to Ms. Blomquist's inquiry, Ms. Hopkinson indicated that Parcel 12 would be put in the offering of parcels which is planned for March, 1980. President Wexler inquired about the preference for office use, and Ms. Hopkinson indicated that there were few locations suitable for development for office uses in the project; however, she believed that the proposed institutional use would serve as a buffer and could have a positive effect on development of the block. She noted that the pad of the Convention Center roof would be 24 feet in height at the Folsom Street side. It would be sloped back, pleasantly planted, and it could be an attractive area for the high school. She expressed concern about housing on this corner because of the street traffic and the belief that sufficient retail and commercial uses would be provided on Parcels 4, 5, and 6 and Parcels 1, 2, and 3 to serve the area adequately.

Ms. Berk inquired if Parcel 9 was the only site that staff believed was suitable for institutional use, and Ms. Hopkinson answered affirmatively, noting that because of environmental restraints other parcels had been eliminated. President Wexler inquired if these restraints applied to Parcel 7 as well, and Mr. Conrad agreed noting that there was a significant noise and air pollution level on this site.

Ms. Shelley believed that the rationale for the Mayor's Select Committee's recommendation for the high school in the project area was to provide a facility located adjacent to the business and commercial area of the city where students could attend school and work part time. In reading the material submitted by Bridgemont, she observed that this was a college preparatory school and inquired about the reasoning for being proposed for a downtown location. Mr. Ted Frazier indicated that he had served on the Mayor's Select Committee and affirmed that the intention was to provide a facility which would permit students to work and attend classes. The location was desirable because it would provide access for students working in the center city area. He also noted that it would encourage students to go on to the downtown college. Ms. Shelley agreed that this was the concept that she had thought the Committee had in mind. She inquired about the interest of a college preparatory school in such a location. Mr. Hamilton concurred in Mr. Frazier's comments but suggested that the Commissioners evaluate the Bridgemont proposal on the basis of its own merits

NEW BUSINESS: (continued)

because he believed it had a program which was uniquely suited to the area. In response to Ms. Shelley's inquiry, Mr. Hamilton indicated that the school was interested in the downtown location and presently had its facility in a similar area. He suggested that the Bridgmont representative respond to this inquiry. President Wexler indicated that this proposal would be the subject of a future consideration and suggested hearing them when the Bridgmont matter was calendared. Mr. Lee agreed with Ms. Shelley's concerns that a private high school appeared to be an inappropriate use for the area and inquired if Bridgmont had considered other sites such as vacated schools. President Wexler suggested that the specific consideration of the school proposal be postponed until that proposal was calendared for discussion. He believed that property in YBC would provide an advantageous location for anyone because land in San Francisco was at such a premium. He suggested that the consideration be focused on deciding the uses that would be most beneficial to the redevelopment project area and the city. He agreed with the proposal for housing on Sites 4, 5, and 6 and the concept of developing locations for housing in YBC; however, there already are a number of institutional uses in the area and he asked for the rationale of the Agency's planners in proposing the most attractive or exciting uses for the remaining sites in the project. He noted that a great deal of attention had been focused on the three central blocks and what would provide an exciting and optimum use there and it was essential to similarly evaluate these sites. President Wexler noted that the Convention Center would be at a substantial elevation along Folsom Street and would somewhat inhibit access to retail uses developed around the Central Blocks for the developments on Parcels 7, 8, 9, and 10. He noted also that it is possible the Agency may not have control of the development of Central Block 3 because in May 1980 the Chief Administrative Officer will be free to proceed without the Agency having any control over development of the site other than architectural review. He stressed his belief that it was important to provide activity for the area other than during normal office hours. Ms. Shelley concurred in the need for the staff to provide an overall evaluation of the character of the area.

Mr. Conrad indicated that he would present some tentative views of the area. In response to President Wexler's comment, Mr. Conrad indicated that he had primarily been involved in dealing with the development of individual parcels in terms of short- and medium-term goals and had not evaluated these parcels in the context of the whole South of Market Convention Center. He commented that the transportation in this area was affected by the entire transportation system of the Bay Area. He noted particularly that the public transportation would be influenced by development of the new terminal and observed that the office uses had moved across Market Street, which he believed would also impact this area; however, below Folsom Street the demand was basically for downtown support services, mostly facilities that processed materials such as those related to the printing industry. He noted that parcels 7 and 8 in Central Block 4 were characterized with uses in keeping with the urban fabric and believed that the development of those parcels should relate to the existing uses. Parcel 10, he observed, was reserved as a garden for the TODCO housing developments and recommended for this use because it would be a difficult site to develop. He agreed with Ms. Hopkinson's comments on the appearance of the Convention Center's berm which would be set back from the street and heavily landscaped. Therefore, he did not believe it would have a negative impact on development of Parcel 9.

W BUSINESS (continued)

Mr. Conrad pointed out that Folsom Street did not have a great deal of pedestrian activity and he believed that this would not change regardless of the development of the top of the Convention Center. He pointed out the institutional uses in Block 4 and concurred in the development of market-rate housing on sites 4,5, and 6 with service commercial on that site. As a professional planner he did not find it inappropriate to place a high school as an institutional use in this area. He believed that it was good to have young people in the downtown area and that the building could be developed without conflict with existing uses. He stressed that the institutional character was already established for the block and believed it was appropriate to provide uses which reinforced this character.

President Wexler noted that if Parcels 4,5, and 6 were developed for market-rate housing and Parcels 7 and 8 provided downtown support services, it appeared that only Parcel 9 would be available for an exciting innovative use. He also indicated it appeared this was the one site geographically and strategically located to support and relate the housing developments to each other.

Mr. Conrad indicated that he had a problem with the definition of "innovative" and "exciting" and noted the location of this site at the back of the Convention Center. President Wexler indicated his personal belief that the parcel should be developed imaginatively and not as a reinforcement of the institutional character of Central Block 4. Mr. Lee inquired about the number of market-rate housing units recommended by the Mayor's Select Committee for the project and Mr. Kernan indicated that the Committee's recommendation was for 600 to 900 units outside of the central blocks. Mr. Lee inquired how many had been built and President Wexler reviewed the proposed housing sites noting that none of the market-rate housing had been built.

In response to Ms. Berk's inquiry, President Wexler indicated that Parcel 9 was shown in the Redevelopment Plan as housing and could be developed for this use. Ms. Hopkinson indicated that it would be possible to build 700 units on Parcels 2,3, 4, 5, and 6. Ms. Shelley inquired about Parcel 1 which is allocated for GSA and suggested that Parcel 3 might provide a better location and Ms. Hopkinson recalled that allocation of Parcel 1 to GSA would clear Block 1 and permit development of a major hotel. Ms. Blomquist expressed concern about the proximity of the elderly housing and their community garden adjacent to a high school. She questioned the compatibility of these two diverse age groups in a small area. She stressed that there is extensive concern about mixing young people with the elderly. Mr. Hamilton expressed the belief that current studies indicate a recognition that older people should not be isolated and believed that the intermixture of other age groups had a stimulating effect on the elderly. Ms. Berk inquired about the consideration of the housing developments as institutional uses and Mr. Hamilton indicated that he characterized elderly subsidized housing as institutional because it was a less active use. President Wexler suggested that this may be a factor in comparing elderly to family housing and Mr. Hamilton responded that the market-rate housing may be occupied by young couples which would provide additional activity, not compatible with the elderly developments.

In response to Ms. Shelley's inquiry, Mr. Conrad noted that the gardens proposal was developed to replace a site that is currently being used on an interim basis as a community garden. When this site is built on it will be necessary to either discontinue the gardens use or provide an alternative. Ms. Hopkinson commented on the question of the suitability of the high school adjacent to the

NEW BUSINESS (continued)

elderly housing, she believed that it would be necessary to know more of the high school's program in order to understand why it was uniquely suited for placement in such an urban setting adjacent to elderly residents. She stressed that the school had an active scholarship program which provided an opportunity for minority students. Ms. Shelley indicated that when the Bridgemont proposal was considered she would like to have more specifics on the school's program because in her experience youngsters in high school would find it difficult to share space with elderly residents. She observed that these students may be different.

Mr. Charles Krause indicated that he was associated with the Peoples Park Counsel in Berkeley and urged that the area north of the George Moscone Convention Center be developed with minimum density.

Mr. John Elberling, Executive Director of TODCO, commented that in previous considerations of parcels in the area and during the amendments of the Redevelopment Plan there had never been a comprehensive discussion of these peripheral parcels. He indicated that approximately 1,000 people now live in the area and at least another 600 would eventually be residents of the TODCO housing developments and he believed that the Agency should have gone to this community and informed the residents of the proposed uses for the area to elicit their comments on the plans. He believed that the Commissioners and staff were talking about the neighborhood of these residents and urged that they receive comments from those who live in the area. Mr. Elberling commented that he had two concerns: first, the neighborhood immediately surrounding this area and second, the city-wide impact of development of these sites. He was particularly critical of the comments that the block had an institutional character noting that TODCO believed these developments were architecturally exciting and that the residents did not regard these developments as institutional in character. He commented particularly on the most recently completed development, the Dimas Alang, which is situated in a landscaped garden area, and he urged that the adjacent parcels be developed for compatible uses which would reinforce the residential character of the block. He particularly stressed his belief that juxtaposing a high school next to elderly residential developments was inappropriate. He believed that the residents in the area were frightened of boisterous young people. Mr. Elberling urged that the Commissioners give greater consideration to a program which created Fourth Street as the main entry street for this residential neighborhood and creating an area which was supportive of this character. He also believed that interior walkways and planted sitting areas were design considerations that the Agency had not addressed and asked that an overall plan be developed which provided such amenities. He urged that Parcel 9 be used for housing and suggested that a housing cooperative program be considered. Mr. Elberling expressed concern that the 900 market-rate units had not yet been provided noting that these units were a condition of agreement with TOOR. He stressed that with the city-wide need for housing, he believed that the staff should be advocating development of Parcel 9 for housing. He urged that the parcels to be developed for housing be offered. If no development proposals were received then such an offering could be made subsequently. He noted that Skidmore, Owings and Merrill (SOM) had advised the Agency to make an early offering of the housing sites. Mr. Elberling also commented on Parcel 1 noting that it contained buildings which had historic merit and that a study was being done on this district. The Agency should not propose it for reuse as a cleared site. He reiterated his belief that staff should work with the residents on their plans for this neighborhood and not present them for the Commissioners' consideration until a workshop could be held in the area.

NEW BUSINESS (continued)

Mr. John Newt of the San Francisco Coalition expressed the belief that these sites provided a unique opportunity for planning model uses. He believed that cultural and esthetic considerations should be evaluated and strongly recommended that the Commissioners consider alternative suggestions for development of these sites. In response to President Wexler's inquiry, he noted that he had many suggestions but he was not prepared to offer them at this time. Dr. William D. Hautt, Bridgemont High School, suggested that he make a presentation of the Bridgemont program. President Wexler indicated that the Commissioners were not specifically considering the appropriateness of Bridgemont High School in YBC but were discussing the overall uses that they believed would be appropriate for the remaining project. Mr. Newt indicated that Bridgemont's relationship with the community college was exemplified by the fact that they participated in the college's Excel Program. This program enable the students to go to both high school and college classes and that over half of their students in the senior class participated in this program. He also noted that a number of the students worked in the afternoons in the downtown area. The school was committed to San Francisco. He was proud that it brought together a diverse student population representing all groups in the city. He also noted that it preferred to be in the downtown rather than an area which was characterized as anyone's neighborhood. He stressed that the school's emphasis is on creative programs.

Mr. Tony Garcia, manager of Dimas Alang, indicated that Mr. Elberling had spoken on behalf of the residents and noted that a number of the Dimas Alang residents were present. He introduced each of them and their names are attached and made a part of these minutes. President Wexler and the Commissioners acknowledged them. Mr. Garcia indicated his support for Mr. Elberling's comments and urged that the Agency make an organized effort to inform the residents of the area of such matters which had such a major effect on their lives. He noted that there were a number of professional people among these residents and he believed that they could offer informed and constructive comments on the Agency's proposals to develop the area.

Ms. Evelyn Dexter, Salvation Army Senior Activity Center, noted that she participated in providing a food service for all the people in San Francisco. The Center serves over 1,000 meals a day. She urged that the Commissioners consider that the residents of the area have limited mobility and spend their days in the area. She urged that the residents as well as the work force of the area be considered in planning for these parcels. She expressed concern about introducing the high school use into a residential area and believed that market-rate housing would be a more suitable use and serve to add diversity to the neighborhood. She was particularly concerned that the area not be made up entirely of subsidized housing. She also urged that the residents and people who are active in the area participate in formulating the plans for these parcels.

Mr. Ted Frazier suggested that a compromise could be worked out. He believed that the idea of senior citizens being fearful of adolescents were no longer valid and that it was now recognized that it would be beneficial to have age groups interrelate so that they will learn to get along with each other. He believed that a plan could be developed which accommodated the needs of the older residents, the people who work in the area, and the school. He suggested that ideally the people who worked in the area would also be able to live there. Mr. Frazier expressed concern about the racial implications of not providing jobs and noted that there was an increase in unemployment among whites of 2 percent while black unemployment rose 19 percent.

NEW BUSINESS (continued)

He urged the Commission to keep an open mind on the development of these sites. He reiterated that he had participated on the Mayor's Select Committee and recalled that the problem of providing a downtown high school had been one of funding and the San Francisco School District was unable to provide the necessary funds to construct such a school.

Ms. Isabel Ugat, South of Market Community Association, indicated that she had just learned that a high school was contemplated for this area and urged that the Agency hold a community meeting to obtain the opinions of the residents about this proposal. She believed that there was a need for uses that would provide services to senior citizens of the area. She also believed that the residents did not know the appropriate manner in which to submit their suggestions. She urged that the Commission consider development of market-rate housing with support services for the area and also urged that the Commission conduct public meetings.

Mr. Ken Johnson of the San Francisco Coalition indicated that he was an occupant of an Agency-owned building and that an organization of such tenants was being formed. This organization, the Third and Mission Tenants Organization, was working with a group of people interested in preserving the Williams Building. He believed that they would be successful in obtaining federal funds to rehabilitate the structure and requested notification whenever the Parcel 1 was proposed for discussion. He wanted Yerba Buena Center to be a good place for people to live and work.

In response to President Wexler's inquiry, Mr. Elberling suggested that the uses for Parcels 7 and 8 were essentially in keeping with those proposed by staff; however, he urged that these should be discussed with the residents of the neighborhood. President Wexler commented on Mr. Elberling's views of how the area should be developed as a neighborhood with support services centering around Fourth Street as the main street for the area. He noted that in the absence of a project area committee for this project, he would like Mr. Elberling's thoughts on how a public meeting could be held to obtain maximum comment from the residents. Mr. Hamilton noted that it appeared that there was basically no disagreement on any parcel other than Parcel 9. The differences here concern the proposal to develop an institutional use as opposed to housing on the site. He suggested that the Commissioners consider how the policy could be determined on use of the parcel. Mr. Hamilton noted that TODCO was the development arm of TOOR which had previously performed project area committee type activities, however, TOOR was no longer active in the area to solicit public input. President Wexler suggested that the community could hear the Bridgmont proposal in public forum so that they would have a better sense of the school's program and the Agency's proposal. Mr. Hamilton commented that there could be downtown support services in the development of Parcels 1, 2, 3, 4, 5, 6, 7, and 11. This totalled approximately 125,000 square feet which would be set aside for downtown commercial uses and he believed this was a significant figure and should be considered by the Commissioners before making a final decision.

President Wexler suggested that a meeting be arranged in the community to discuss the proposed uses for Parcel 9 and inquired when this could be accomplished. Mr. Hamilton indicated that it would be scheduled immediately and the Commission would be advised of the results.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:55 p.m.

Respectfully submitted,

Helen L. Sause

Helen L. Sause
Secretary

DIMAS ALANG HOUSE

MEETING ATTENDEES

- | | |
|-------------------------|-----------------------------|
| 1. Tony Garcia | 15. Conralaston G. Santiago |
| 2. Candida Galban | 16. Petrona A. Pacuan |
| 3. Diosdado Samonez | 17. Carolina Reyes |
| 4. Ruperto Gomez | 18. Emeterio Ramos |
| 5. Joseph Bichtigen | 19. Embiana R. Eusebio |
| 6. Joaquin G. Mazon | 20. R. A. Simon |
| 7. Caroline Gibb | 21. Apoloma N. Fikes |
| 8. Tereso Y. Gomez | 22. Andrew B. Jackson |
| 9. Restituto Capote | 23. Manual Cruz |
| 10. Margaret Lockwood | 24. Francisco Micalles |
| 11. Adele M. Rabang | 25. Guillermo R. Cua |
| 12. Bernardo Duran | 26. William Lai |
| 13. Juanita Duran | 27. Cresencia Bernal |
| 14. Honorata A. Casugay | |

TABLE I

PROPOSED PROGRAM

USES/RESTRICTIONS

SIZE

PARCEL

1. 3707-A
Northeast corner
of Third & Mission

31,840 square feet

Downtown Office
Office, retail, restaurants
etc.; institutional, recreational,
hotel, parking structures.

Hold for GSA

(Decision within 8 months
after issuance of RFQ)

Residential above first story.

Height maximum: 500'

Floor Area Ratio (FAR): 4.1

2. 3722-A
Southeast corner
of Third & Mission

32,960 square feet

Downtown Office
(same as 1 above)

Hold for GSA

(Decision within 8 months
after issuance of RFQ)
Alternate hotel site.

3. 3722-B
Northeast corner of
Third & Howard

81,525 square feet

2/3 Downtown Office
(same as 1 above)
Height maximum: 500'

Hold for GSA

(Decision within 8 months
after issuance of RFQ)

1/3 Downtown Support
Same as 1 above, plus
laboratories and wholesale
establishments (excluding
warehouses)

Height maximum: 500' & 320'

4. 3722-C
Southeast corner
of Third & Mission

7.1

SIZE

PROPOSED PROGRAM

USES/RESTRICTIONS

4. 3750-A
Southeast corner
of Folsom & Third

53,625 square feet

Business Services & Lt. Industry
Same as 1 attached plus
laboratories, wholesale estab-
lishments, printers, storage,
assembly, repair, etc.

Height 130'
Far; 5:1

- Housing, Ground Floor Commercial permitted but not required (requires variance).
- Marketing for housing uses 3-5 years
- Parking only as necessary for housing

5. 3750-C
East side of Third,
South of Folsom

67,303 square feet

Business Services & Lt. Industry
Same as 4 above

Height 130' & 80"
Far; 5:1

- Marketing for Housing uses - 3-5 years
- Parking only as necessary for housing

6. 3750-B

9,945 square feet

Business Services & Lt. Industry
Same as 4 above

Height 80'
Far; 5:1

- Marketing for Housing uses 3-5 years
- Parking only as necessary for housing

7. 3751-H
Northeast corner of
Harrison and Fourth

37,520 square feet

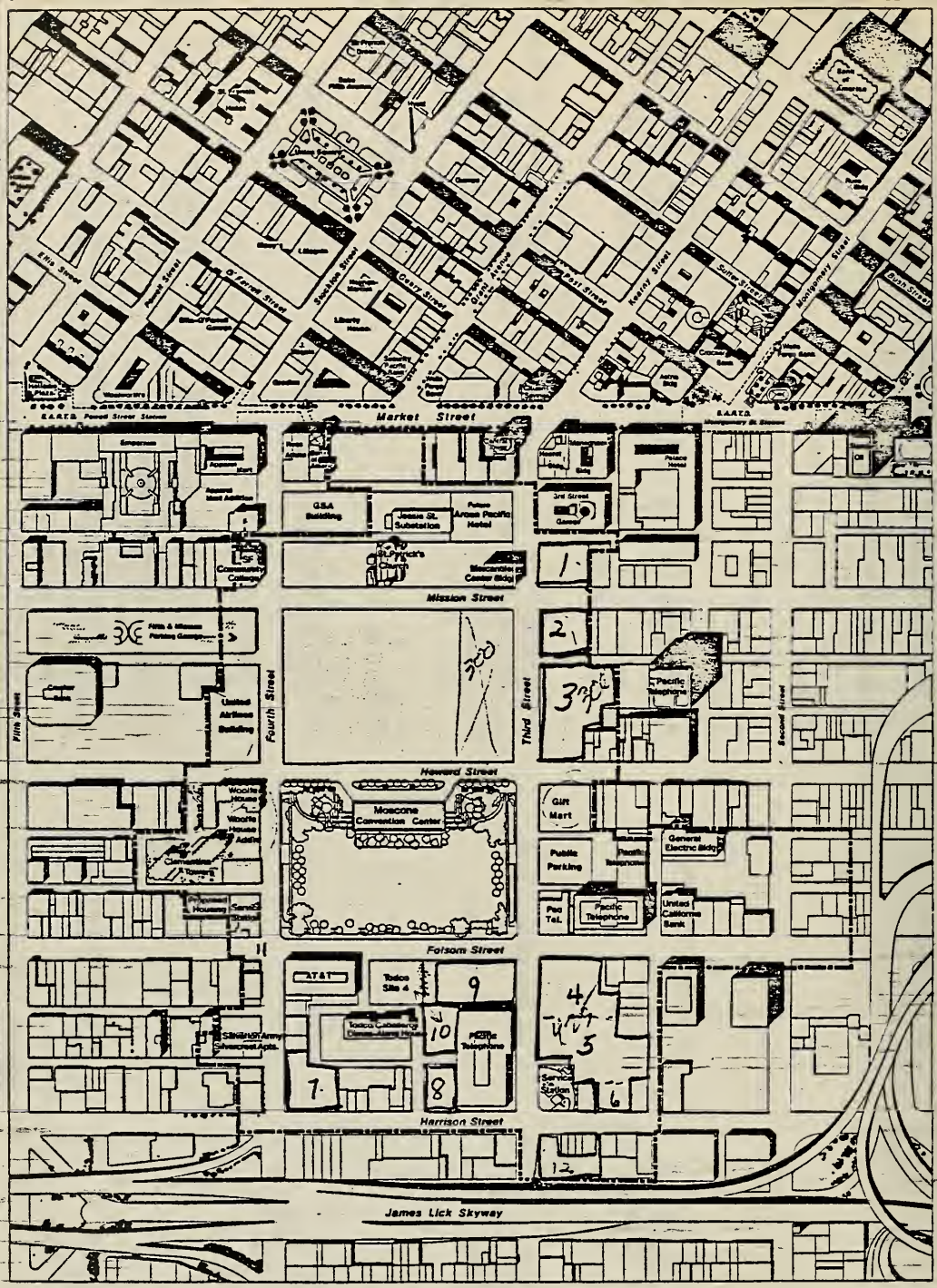
Business Services & Lt. Industry
Same as 4 above

Height 80'
Far; 5:1

- In order of Preference:
• Downtown support, such as printing with ground floor commercial if feasible
- Office with ground floor commercial if possible
- Public garage with ground floor commercial if possible
- Marketing in 1980.

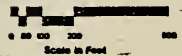
Environmental Problems
(Freeway & Earthquake Fault)
creates difficulties for
development.

8. <u>3751-P</u> North side of Harrison west of PT & T	16,763 square feet	<u>Business Services & Lt Industry</u> Same uses as 4 above Height 80' Far: 5.1	In order of Preference • Downtown Support other than General Office • General Office Offering 9 - March 1980
9. <u>3751-B (2)</u> Southwest corner Fourth & Folsom	47,700 square feet	<u>Housing</u> Housing plus uses in 4 above Height 130' Far: 4.8:1	Office Downtown Support Institutional (High School) Marketing 1980.
10. <u>3751-S</u> Between PT & T & Dumas-Alang	16,763 square feet	<u>Housing</u> Housing plus uses in 4 above Height 130' Far: 4.8:1	Community Gardens sold Market Rates for elderly housing If not interested purchase Market with 8 above for same uses. Negotiations with TODCO
11. <u>3752-A</u> Southwest corner Fourth & Folsom	3,600 square feet	<u>Business Services & Lt Industry</u> Same uses as 4 above Height maximum: 130' Far: 5.1 Very small site which will have parking problems possibly requiring a variance	Downtown Support Office
12. <u>3763-A</u> East side of 3rd bet. Harrison & Perry Sts.	25,200 square feet	<u>Business Services & Lt Industry</u> Same uses as 4 above Height maximum: 80' Far: 5:1	Terminate LDA and market in 1980 Downtown Support Office Market in Off #9, March



Yerba Buena Center AREA PLAN

near Project Boundary
O SARTO Station Entrance



CF
R35
4
2/5/80

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
5TH DAY OF FEBRUARY 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 5th day of February 1980, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Charlotte Berk (joined the meeting at 4:30 p.m.)
Dian Blomquist
Rubin Glickman
Melvin D. Lee (joined the meeting at 4:20 p.m.)
Joan-Marie Shelley (joined the meeting at 4:25 p.m.)
Parree Porter

and the following was absent:

None

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Mary Rogers and Benny Stewart, Western Addition Project Area Committee (WAPAC); Ted Frazier, David Rogers, Jacqueline Narcise, Sam Martinez, J. S. Newton, Ken Johnson, and Harold B. Brooks, Jr.; Ernest Oliver, Fillmore Economic Development Corporation (FEDC); M.B. Fay, EOC; J. Keyser, Keyser-Marston Associates; Peter Mendelsohn, TOOR-TODOCO; and Charles Krause and Gerald Williams, interested citizens.

APPROVAL OF MINUTES

It was moved by Mr. Porter, seconded by Mr. Glickman, and unanimously carried that the minutes of an Executive Meeting of January 29, 1980, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matters:

- (a) Mr. Hamilton is in Washington, D.C. working with the National Association of Housing and Redevelopment Officials (NAHRO) on the reauthorization of the community development program for the next three years and also for meetings with the Department of Housing and Urban Development (HUD) officials regarding the 300 units committed for Hunters Point, the General Services Administration (GSA) on its site in Yerba Buena Center and the scheduling of Incheon Village. Mr. Hamilton is seeking a commitment from GSA for Incheon Village that it hold disposition of the property until the Agency has completed its preliminary study work. Negotiations are being pursued with GSA on a substitute site for an office building in Yerba Buena Center in order that the present-held GSA site can be used as part of the overall project development.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

At this point, Mr. Lee joined the meeting at 4:20 p.m.

- (b) Last Thursday the City Planning Department acted on the approval of elements of the Northeastern Waterfront survey study and the three actions are: (1) amendment of the Master Plan, (2) total design plan, and (3) selection of a project area and approval of the preliminary plan. The next step is to select an environmental impact report consultant for Rincon Point and South Beach, the two areas selected from the total study area recommended for redevelopment. This process is anticipated to require from six to nine months to complete and then the Agency will be in a position to bring its recommendation to the Board of Supervisors for plan adoption. It is expected that the consultant's contract can be before the Commissioners within a month.

At this point, Ms. Shelley joined the meeting at 4:25 p.m.

President Wexler commented that the staff and various other agencies had put in a great deal of work but urged that the time necessary to adopt and implement this plan be shortened.

UNFINISHED BUSINESS

- (a) Resolution No. 36-80 authorizing the Executive Director to enter into a contract with the San Francisco Coalition for affirmative action services, Yerba Buena Center Approved Redevelopment Project Area.

This item was held over from a previous meeting and concerns execution of a one-year contract with the San Francisco Coalition for an amount not to exceed \$153,186. Consideration of this matter was held over to permit the Commissioners to evaluate material provided by the Coalition. The Coalition was formed to provide services as a resource agency for the development of Yerba Buena Center, and it represents approximately 40 neighborhood-based organizations, which have expressed concern about the affirmative action program for Yerba Buena Center. As development in this area increases, it is even more critical that the Coalition provide the means for a united approach to affirmative action implementation. The contract being considered is essentially the same as the existing agreement with the exception that the Coalition's Board of Directors has created the position of Assistant Executive Director, which will provide the presence of someone able to assume directional responsibility in the absence of the Executive Director. The position of Administrative Assistant has also been added but one of the two clerical positions has been deleted. Staff recommends approval of the contract for \$153,186. Also proposed are 7 percent salary increases for the period beginning July 1, 1980. In addition to this recommended contract amount, staff intends to request the Office of Community Development to provide \$6,000 for the use of the Coalition in providing a \$15 fee for the attendance of members at the Coalition's Administrative Board meetings, totaling \$4,312 and funds for the annual workshop scheduled for October 1980 for \$1,680.

Mr. Harold Brooks, Jr. of the San Francisco Coalition indicated he had been Chairman of the Board for the past six months and had been carrying out the requests made by the Commissioners last June. He indicated that the Board of Directors consisted of 18 members who were responsible for meeting with the community and setting policies for the staff. The Board was dealing with those matters it believed were necessary for the progress of the successful completion of Yerba Buena Center. Mr. Brooks expressed the belief that the Coalition was carrying out the appropriate affirmative action program for

UNFINISHED BUSINESS (continued)

Yerba Buena Center and urged the approval of the budget by the Commissioners.

At this point, Ms. Berk joined the meeting at 4:30 p.m.

Mr. Peter Mendelsohn of TOOR-TOOCO indicated his support for funding for the Coalition because he believed it was doing a good job. He noted most of the Board members were involved in community affairs and could not always be present at the meetings, which could be interpreted as a lack of broad participation in the Coalition but that was not the case. He believed the Coalition should be encouraged to continue its program. Mr. Charles Krause suggested that because of negative connotations the name of Yerba Buena Center be changed to El Camino Real. He was interested in the specific recommendations regarding the affirmative action program. President Wexler indicated that the matter before the Commissioners today concerned entering into a contract with the San Francisco Coalition for services they are performing in Yerba Buena Center and was not relative to selecting a name for the area, or considering any particular activities that are to be undertaken. He suggested Mr. Krause could discuss these matters with staff. Mr. Krause agreed with the suggestion.

In response to Ms. Blomquist's inquiry, Mr. Kernan indicated that the Agency intended to ask the Office of Community Development (OCD) for \$6,000 for Board Member fees and support services for an annual workshop costing \$1,680 in addition to the \$153,186 contract budget presently being considered. Mr. Kernan indicated that this will come before the Commissioners later if OCD approval is obtained. In response to President Wexler, Mr. Kernan indicated that this \$6,000 is in the Community Development (CD) budget originally requested by the Office of Community Development which was deleted by the Board of Supervisors. Staff believes that the Board of Supervisors did not fully understand this aspect of the budget and also feels there was community approval for these items. Mr. Earl Mills, Assistant Executive Director for Community Services, responded to President Wexler's question about the uniformity of policies for area committees indicating that each make its own determination. The Bayview-Hunters Point Joint Housing Committee (JHC) pays a stipend for meetings of its Board and Western Addition Project Area (WAPAC) does not. Ms. Blomquist asked why a higher budget was recommended for the Coalition than the JHC and WAPAC, and Mr. Mills noted that these organizations had different functions and their funds were allocated on the basis of the nature of the operations. Both the JHC and WAPAC are related to inspection of their project areas but the Coalition has city-wide responsibility involving all the minorities in their activities. Ms. Blomquist recalled the Coalition represented approximately forty organizations and she inquired who these were. Mr. Brooks indicated that the list of the forty participating groups had been submitted earlier and of these, representatives from eighteen of the organizations served on the Administrative Board. Ms. Blomquist requested another copy of that list because some community people had indicated that the representativeness of the Coalition was a problem. Mr. Brooks responded that he had no knowledge of any problem and noted that the Coalition's meetings have been well advertised and anyone is welcome to speak. If anyone believed that there is any difficulty he urged that they contact him. He also invited Ms. Blomquist to the meetings. Ms. Blomquist asked if the forty organizations receive notification of the meetings. Mr. Brooks answered affirmatively. Ms. Blomquist indicated that she wished to see the budget for 1979 compared to the actual expenditures. She also asked for a comparison of the Coalition's affirmative action requirements

UNFINISHED BUSINESS (continued)

and the Humans Rights Commission. Mr. Brooks indicated that the Coalition checks the job sites but does not have sufficient personnel to do the actual follow-up such as the Human Rights Commission performs. In response to Ms. Blomquist's inquiries, Mr. Frazier indicated that the Human Rights Commission and the Coalition performed different functions and it was difficult to compare the efforts of both agencies.

Ms. Blomquist asked if the Coalition relied on the Metro Parking to hire people or if the Coalition placed trainees with other parking lot operators, and Mr. Brooks replied that the Coalition also contacted other operators. Mr. Mills indicated that Metro Parking had done most of the hiring. Ms. Blomquist noted that in 1979 there was \$9,749 for consultant fees while there was only \$750 in 1978 and asked for detailed breakout of those fees, as well as details about the public relations costs. Mr. Frazier noted that these differences resulted from revisions in the development of training programs. In response to Ms. Blomquist's inquiry, Mr. Frazier indicated that Mr. Ken Johnson would provide a breakdown of the costs of the media program. He also noted that before the Coalition had funds in for the skills bank, it had hired consultants to set up the bank. Ms. Blomquist asked why the amount expended on public relations in October did not appear on the final year-end statement, and Mr. Frazier responded that was an expenditure which had come out of the operational account. Ms. Blomquist stressed her concern about such items. Mr. Brooks indicated that every check is signed by the Agency and the Coalition and these were legitimate expenses that had been approved and authorized by the Agency. Ms. Blomquist indicated her understanding but continued to be concerned because she was unable to reconcile the monthly statements with the year-end report. Mr. Porter suggested that it would be more appropriate for Ms. Blomquist to conduct a detailed analysis of the budget with the accounting staff and if she was unable to have her questions answered, then the Commission could intercede. In his opinion, the Coalition was doing a fine job. Mr. Porter noted that from his experience such organizations may need improvement in their accounting systems and it was not that there were irregularities but that they did not know how to present the information. Mr. Mills commented that the balance sheet is a summary of the Coalition's itemized expenditures and profits and this included revenues received from parking lots and the deducted costs paid by Metro Parking to arrive at the gross revenue or net income. Ms. Blomquist believed that the monthly statements should show the same amount as the net income. In response to Ms. Blomquist's inquiry, Mr. Mills indicated that the amount of \$4,500 was gross revenue and is reflected in the total as the net income. Ms. Blomquist indicated that was not the same understanding she had had when the issue had been discussed previously with Mr. Mills and she asked for a breakdown. Mr. Mills expressed the belief that it was the same but he would provide the figures.

Mr. Lee noted that there appeared to be 337 referrals with only 17 direct placements and asked about the operation of the skills bank. Mr. Frazier indicated that the skills bank was started last year with volunteers who were able to use some of the revenues generated by the parking lot. Because the Coalition has gone through a reorganization and set up a new accounting system, this has created part of the confusion in reconciling the account. He noted that the seventeen people listed as placed by the skills bank are those who could be documented as being placed in jobs by the bank. The system is being refined to provide more accurate documentation of the people that the skills bank assists and what happens to them. Mr. Mills indicated that one of the major problems in operating the Coalition is that of dealing with the manpower organizations in the community which are funded

UNFINISHED BUSINESS (continued)

through the Department of Labor on the basis of the number of people they actually place. These organizations are concerned about any other organization getting credit for placing anyone in a job because it lessens their ability to get funding. There are people referred by the Coalition who are being claimed by other organizations that create the problem.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 36-80 BE ADOPTED.

President Wexler indicated that he looked forward to working with the Coalition for another year. Mr. Frazier indicated that the Coalition had a video taped presentation he wished to show to the Commissioners concerning the processing of people who come to the skills bank, including the training program, how they are placed in jobs, and various other aspects of the program in action. Mr. Frazier then made this presentation and after the showing, Mr. Porter thanked him for his explanations and commented that there had been no mention that in the parking lot program the Coalition had been training people who had been on parole and were at last able to find work for themselves. He believed this was an important part of the Coalition's program because these people coming out of prison did not have many alternatives and finding jobs for them was paramount otherwise they would again revert to crime.

NEW BUSINESS

- (a) Resolution No. 39-80 authorizing payment of certain security and maintenance costs, Incheon Village Development.

This item authorizes the Executive Director to pay the U.S. Navy for security and maintenance costs for the Incheon Village development. The Navy has had no funding to pay for these costs since 1977 and since the City was negotiating to acquire this property through the San Francisco Housing Authority the costs have been borne by the Housing Authority. In October Mayor Dianne Feinstein requested that the Agency assume responsibility for the development of Incheon Village and the related costs. Since that time the billing for security has totaled \$15,730.20 through December 1979. The Board of Supervisors has authorized the initial transfer of 1978 Community Development funds of \$69,468 to cover predevelopment costs for Incheon Village, and this included \$25,668 for security expenses. Staff recommends that the Executive Director now be authorized to pay \$15,730.20 for past security and an authorization to pay for the expenses not to exceed \$9,937.30 to cover security for the property until the proposed date of property conveyance on June 16, 1980.

President Wexler inquired about the billing and Mr. Kernan indicated that those costs represented the total billing but he did not have an explanation at the moment. Mr. Thomas Conrad, Chief of Planning, Housing, and Programming, indicated that the costs are intermittent because the Navy has been using the security services of the Triple A Machine Shop, master lessees of the property. The guards are needed because of the high incidence of vandalism. President Wexler asked if all other costs were paid by the Housing Authority, and Mr. Conrad responded that they were and it was his understanding from the Navy that the Housing Authority had paid through October 1979; however, after discussion of the detailed billing it did not appear that the invoice could be reconciled. Mr. Kernan recommended authorization to pay the billing and that a release from any further costs would be obtained.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 39-80 BE ADOPTED.

- (b) Resolution No. 40-80 authorizing the Executive Director to execute an agreement with the State Department of Forestry, and agreeing to indemnify the San Francisco Housing Authority in connection therewith, Hunters Point Approved Redevelopment Project Area.

This item authorizes the Executive Director to enter into an agreement with the California Department of Forestry to receive the second Urban Forestry Demonstration Grant for which the Agency and the Housing Authority had applied. This grant for \$20,000 is to complement the \$10,000 grant authorized in September 1979 and will provide for the second phase of planting in the Housing Authority area adjacent to the Agency's Hunters Point project. This agreement also provides for administrative services and design assistance to be provided by the Agency. Although the planting is entirely on Housing Authority land it is believed prudent to have the Housing Authority hold the Agency harmless for all claims, loss, or damage in connection with this program. The Agency would also extend such an agreement to the Housing Authority and staff recommends authorizing this final step in accepting the \$20,000 grant.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 40-80 BE ADOPTED.

- (c) Resolution No. 41-80 authorizing the Executive Director to execute an amendment to the contract with Keyser Marston Associates, Inc. and Curtis Associates for consulting services, Yerba Buena Center Approved Redevelopment Project Area. It is recommended that the economic services with Keyser/Marston Associates, Inc. be amended for \$5,000 to cover services to be rendered in Yerba Buena Center. In May 1979 the Agency contracted with the firm to provide economic services in all Agency projects, and since that time the firm has provided services in connection with the Yerba Buena Center project, particularly with regard to the central block program. As of January 31, 1980 substantially all of the contract funds were expended. This \$5,000 amendment will provide these consulting services to a point at which the program direction in Yerba Buena Center will be more clearly defined. At that time an assessment will be made of the need to continue the economic consultants and a recommendation will be presented to the Commissioners.

Mrs. Mary Rogers, Chairperson of the Western Addition Project Committee (WAPAC), inquired if Keyser/Marston had completed its work in the Western Addition, and Ms. Judith Hopkinson, Director of Development, responded that there was essentially no consultation for the Western Addition by Keyser/Marston but \$5,000 was allocated for the Emory Curtis Associates and that had been expended. A report will be forthcoming within thirty days on the work that Curtis Associates has completed. In response to Ms. Berk's inquiry, Mr. Kernan indicated that since the original contract was with Keyser/Marston and Curtis and this contract is being amended, the resolution names both firms. The \$5,000 will only be paid to Keyser/Marston because it is needed for services in only Yerba Buena Center. Ms. Blomquist commented that \$35,000 has been paid to Keyser/Marston and \$5,000 to Curtis and she inquired about the necessity for a \$5,000 amendment. Mr. Kernan replied this was needed for economic consulting in connection with the Central Blocks' program in Yerba Buena Center. Ms. Blomquist believed that

NEW BUSINESS (continued)

Keyser/Marston was duplicating the services provided by Skidmore, Owings and Merrill and others and she was concerned about the high cost; therefore, she was not in favor of this amendment. Mr. Kernan indicated that Keyser/Marston was asked to provide economic analysis at the request of staff. Ms. Hopkinson recalled that this contract was not for specific services but was available on an as-needed basis. The hourly rates are lower than most other professional consultants charged. President Wexler indicated his understanding that the objection was not to Keyser/Marston but only that they were directed to perform certain work, and Ms. Blomquist agreed expressing the belief that they were doing work that had already been done by others. Mr. Kernan indicated that Keyser/Marston is needed to analyze those elements that are to be added to the central blocks study and were not duplicating the work done by the Economics Research Associates. They have evaluated how the "gardens" could be phased, plus the effect of adding other elements such as hotels that were not in the other reports. The staff needs the capacity to respond should any questions arise concerning the economic aspects of the program. President Wexler suggested that the staff inform the Commissioners of some of the work produced and status reports on how the contract is being used, as well as the balance of the contracts. He believed this information would help avoid potential misunderstandings particularly where there may be significant expenditures. Mr. Kernan indicated that for such contracts on an as-needed services or on-call basis the Commissioners would be advised of major expenditures and given an opportunity to comment. The Commissioners concurred that this was a policy they wished staff to consider in making a decision.

Ms. Blomquist expressed concern that studies done by Skidmore, Owings and Merrill, Economics Research Associates, Keyser/Marston, and others totaled \$1 million in the last three years and in her opinion this was a waste of money. Mr. Kernan indicated he would not respond to the necessity for the individual studies but noted that the Agency is required in most cases and mandated by law to provide archival work and economic studies. Staff would like to reduce those expenses and are currently negotiating on this matter. Staff does not have the technical skill to do this work and recommending that \$5,000 be authorized to do it.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN AND SECONDED BY MS. SHELLEY THAT RESOLUTION NO. 41-80 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Mr. Glickman
Mr. Lee
Ms. Shelley
Mr. Porter
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

NEW BUSINESS (continued)

- (d) Consideration of accepting the proposal of the R. Carrie Agency for fire, vandalism and extended coverage insurance for thirty-three buildings to be rehabilitated, Western Addition Approved Redevelopment Project Area A-2 and Yerba Buena Center.

This action recommends acceptance of the proposal of the R. Carrie Agency for insurance against fire, extended coverage, vandalism, and malicious mischief for 33 of the Agency's buildings valued at \$2.3 million in the Western Addition A-2 and Yerba Buena Center projects. Five proposals were received for this insurance and the lowest quote from the R. Carrie Agency was at the rate of \$1 per \$100 of value with \$2,500 deductible, for \$27,732. The Carrie Agency is an area-based minority broker and the insurance carried is Associated International Insurance Company. Staff has checked the company's rating and believes that it has the capacity to provide the coverage needed. Staff recommends acceptance of the R. Carrie Agency's low proposal of \$27,732 and also recommends that the policy be extended up to two additional years at the same rate. Ms. Blomquist asked for a tabulation of the Agency's insurance policies, and Mrs. Jane P. Hale, Assistant Executive Director for Finance and Administration, indicated she would get this information for Ms. Blomquist.

President Wexler noted that staff had evaluated this company's rating because it was not the highest rated company and asked if the Agency had had any previous experience with this particular company, and Mrs. Hale replied that she was satisfied with the firm's rating.

MOTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT THE PROPOSAL FROM THE R. CARRIE AGENCY BE ACCEPTED FOR THE AGENCY'S FIRE, VANDALISM, AND EXTENDED COVERAGE INSURANCE FOR AGENCY-OWNED BUILDINGS TO BE REHABILITATED IN WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2 AND YERBA BUENA CENTER.

- (e) Resolution No. 42-80 authorizing the Executive Director to execute and transmit requests for reservation of contract authority for conditional commitments for Section 235 mortgage subsidy, condominium conversion program, Western Addition Approved Redevelopment Project Area A-2.

This item authorizes the Executive Director to execute requests for reservation of contract authority for conditional commitments of HUD Section 235 mortgage subsidy program funds. As previously reported, the Agency's Marks-Foran loan program has been affected by the Ullman Bill and this program offered by HUD appears to be the most feasible that is available to offer middle-income purchaser an opportunity to buy the condominiums presently being rehabilitated under the Agency's program. The Section 235 program has a subsidized interest rate as low as 4 percent to provide families with housing costs which do not exceed 20 percent of their adjusted income. The maximum mortgage for one-to-three bedroom units is approximately \$46,000 with maximum sales prices of \$55,000. The Agency's request will result in funds being reserved by HUD for the eventual purchasers of the units. There is no commitment on the part of the Agency to use the program. The 27 condominium units are essentially those outlined to the Commission in the February 1979 workshop. One building at 1329 Pierce Street has been deleted from those scheduled and the site office has been substituted, and the three-unit building at 1734-38 Laguna Street has been added. Staff expects all 67 units to be under rehabilitation by November and some are already being rehabilitated. The Section 235 program appears to be the most favorable financing available and staff recommends the Commissioners' authorization to transmit appropriate requests to HUD.

NEW BUSINESS (continued)

If there is a favorable response from HUD staff will develop a recommendation for the Commissioners as to how the program will be administered to prevent speculation. Mrs. Rogers inquired about the 235 mortgage subsidy program expressing concern that HUD will not subsidize additional units in the Western Addition and asking if low-income people would be able to purchase these buildings once these are rehabilitated. President Wexler responded that the program is designed to serve middle-income purchasers and inquired if WAPAC had reviewed the proposal. Mr. Gene Suttle, Area Director for Western Addition Area A-2, indicated that last Thursday Mr. William McClure, Director of Rehabilitation, had made a presentation and had indicated that there were details to be worked out and no action has been taken by the WAPAC Board of Directors.

Mr. Kernan indicated that staff has been in discussions with HUD and was advised that HUD would respond favorably to this request because it is moderate-income housing and is not affected by the issue of impactation. Mr. Kernan indicated that there was an overscription of Section 8 subsidies and the 235 program funding had not been extensively used; however, it will provide below market-rate sales housing. The Agency will be able to reach the community purchasers because of the lower interest rates. HUD has assured staff it will be able to make this money available. Mrs. Rogers commented that HUD is not subsidizing any more units in the area because it believed the area was impacted by low-income housing and she would like to know the Agency's policy making it possible for low-income people to purchase these buildings. Mr. Kernan replied that HUD would require that the family income to be sufficient to retire the mortgage under this program and that would necessarily have to be at the moderate-income level. Mrs. Rogers asked that the item be tabled until the matter could be discussed before the WAPAC Board.

Mr. Kernan indicated that this is not a binding commitment but a request that HUD reserve the funds, because if these are not reserved the opportunity may be lost. Mr. Kernan recommended positive action on requesting the funds since the matter would come before the Commissioners and WAPAC for a definitive program in a few months. In response to President Wexler's inquiry, Mr. Gene Suttle, Area Director Western Addition A-2, responded that a week's delay would not endanger the program. Mr. Kernan noted that there are certain matters to be done and one week would not make much difference; however, he stressed that the Agency ought to request the HUD reservation as soon as possible. Mr. Porter concurred in the one-week delay.

Mr. Glickman indicated that it appeared housing would be provided at a price less than \$55,000, and Mr. Kernan answered affirmatively noting that this is less than what these buildings would sell for in the open market. Mr. Kernan indicated that the Agency can legally sell the buildings below the market because it is developing a program with restraints respecting resales. When the program is perfected it will be brought back to the Commissioners. The Agency anticipates recovering its rehabilitation costs but will contribute the costs of the land and buildings. Mr. Glickman believed that the buildings would be sold at one-half of the market price. Agency General Counsel Leo E. Borregard indicated there was an express provision of the California law that permits this Agency to subsidize low-to-moderate-income housing in its redevelopment areas.

President Wexler suggested that enough information be made available to permit WAPAC full opportunity to understand the proposal.

MOTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 42-80 BE HELD OVER FOR ONE WEEK.

NEW BUSINESS (continued)

President Wexler announced that the meeting would be recessed to an executive session at 6 p.m. after which the meeting would be reconvened in the fourth floor conference room for consideration of Item 9(f).

The meeting reconvened at 6:30 p.m. with the same roll call.

- (f) Workshop to consider Offering 21, Parcels 743-A, south side of Eddy Street between Van Ness Avenue and Franklin Street; 768-A, east side of Gough Street between McAllister Street and Golden Gate Avenue, Western Addition Approved Redevelopment Project Area A-2.

Acting Executive Director Redmond Kernan indicated that this workshop was being held to consider the offering for two parcels in the Western Addition. A draft of the offering was prepared for review and after this evaluation several Commissioners requested that offering require developers to include a design definition in their proposals. This discussion will concern that modification and to ascertain if there are other items to be considered. He indicated the location of the two parcels on a map noting the site on Eddy Street between Franklin and Van Ness Avenue, Parcel 743-A, is approximately 6,870 square feet. The purchase price for the parcel is \$68,700. It is adjacent to the three-story Victorian structure known as the Stadtmuller House. The preferred development of the site is for commercial and office on the first two floors and market-rate residential on the third floor in a scale compatible with the adjacent buildings. The other site, Parcel 768-A, is adjacent to the Freedom West housing development. It is on the east side of Gough Street between McAllister and Golden Gate Avenue and the purchase price for this 23,950 square-foot parcel is \$167,650. The Agency prefers that this site be developed for residential uses with some limited commercial on the ground floor. Mr. Kernan again noted that the Commissioners had related to the lack of design information in the offering. He asked Ms. Hopkinson to comment on these concerns. Ms. Hopkinson indicated that the offering format had been changed primarily in two respects and included the uses that staff believed would receive a preferential consideration in ranking the development proposals and also permitted development of building design to occur after a developer was selected. She noted that under present practice a developer was selected and little change was permitted to occur after selection in such categories as the composition of the development team design or the proposed use program. If the design is not included in the offering as a criteria for selection, then staff could work with the architects for the development team and achieve an optimum design. She noted that presently when the Commissioners select a developer they also select the design for the proposal. Ms. Hopkinson reviewed the timing required to bring an offering to a successful conclusion. An evaluation of the timing of the two processes indicate that having the design worked out during negotiation of the LDA would shorten the process time from approximately 42 weeks to 36 weeks. She noted that this time savings was not a significant factor but that she felt strongly that the Agency could achieve the best design of its developments by having staff work with developers in actual negotiations. Under the present method developers prepare a preliminary design which staff may or may not have an opportunity to review before it is submitted and after selection by the Commission have little freedom to change. The proposed method of working out the developments' design during negotiations of the LDA permits staff to work extensively with developers to achieve the optimum design for the site. Ms. Hopkinson stressed that in either case the Commissioners would have an opportunity to review the design proposals.

BUSINESS (continued)

Mr. Kernan believed that the main factor to be decided was whether the Commissioners wished design to be an element in the selection process. If a developer is selected with design as a factor in that selection, then staff has less flexibility to work with design. Mr. Glickman indicated that without design material developers would be selected solely on the basis of their qualifications and Ms. Hopkinson concurred noting, however, that the Commissioners would be also approving the developer's program. In response to Mr. Glickman's inquiry, Ms. Hopkinson noted that a preferred use is included in the offering which the Commission approves. President Wexler expressed his belief that developers were responding to the offer to purchase on a competitive basis and as a result he believed the developers would be willing to submit design or other information that would make their proposal the most acceptable to the Commission. It is difficult to make an intelligent decision on selection of a proposal without being able to evaluate the proposed design. President Wexler noted that in a competitive situation developers tend to advance their best work in an effort to insure selection of their proposal. He recalled that the Agency has had a history of having developers compete publicly for the purchase of land and he had not heard any proposed benefits for altering its present procedure.

In response to President Wexler's inquiry, Ms. Hopkinson indicated that it was not proposed to have developers submit Request for Qualifications (RFQ) because the offering would require that a program be submitted. Mr. Porter commented that if developers were not required to submit a proposed design he believed it was questionable that developers would submit an optimum proposal. Mr. Lee indicated his understanding that the Agency would still have the option of selecting the developer and subsequently reviewing design during the approval of the LDA. President Wexler believed that the Commission ought to have the benefit of looking at competing designs because the Agency would be in a position to select a better development if they had a number from which to choose. In response to Mr. Porter's inquiry, President Wexler indicated that the Agency had received a good response to requests for submittal which included design.

Ms. Hopkinson expressed her concern that several developers had objected to this process and had indicated that they would not again participate in such a competition. Mr. Glickman expressed his belief that several years earlier this may have been true but developers are now more interested in participating in development of the Agency's land. Mr. Glickman noted, however, that he had two views on the design requirement in the offering. He was concerned that developers in their efforts to be competitive would provide excellent architectural renderings of proposed developments which ultimately had little relationship to the reality of the development. He was particularly concerned about developers employing good illustrators and then as they prepared into working drawings changing the design significantly. Another aspect of this type of competition was the possibility of having developers request a good architectural firm to appear as part of the development team, and subsequently the developer could use an architect with minimal qualifications.

Mr. Glickman stressed his belief in the importance of having good architectural quality and also for the Commissioners to have an opportunity to review design proposals in selecting developers. President Wexler recalled that this had been an issue discussed by the Commission in previous meetings and that he had understood that staff would develop uniform requirements for preparation of renderings and

NEW BUSINESS (Continued).

drawings to be submitted with proposals. He believed that the problems in the past had resulted in the difficulty in comparing the diverse materials presented. Mr. Kernan indicated that if illustrative materials were submitted, staff recommend that elevations and floor plans be provided in a uniform format but that the developers not be allowed to submit renderings. He believed these would be information for technical evaluation.

Ms. Hopkinson expressed her belief that the provisions of renderings allowed developers a great deal of artistic latitude. President Wexler inquired if Offering No. 21 embodied a difference in the selection process and referred to Page 11 which he did not believe reflected the role that WAPAC played in the development selection. He stressed his belief that the Agency would be doing developers a disservice if they did not clearly define WAPAC's role.

Ms. Rogers suggested that the language on Page 11 be changed from indicating that WAPAC "may review the proposals" to read that WAPAC "shall" review the proposals.

Mr. Lee inquired of Ms. Hopkinson whether there would be any determination of the design prior to the exclusive negotiating period. In response to Mr. Lee's request for clarification, Ms. Hopkinson noted that under the proposal only a description of the project would be provided prior to developer designation. The program would outline the development that site could accommodate including the number of bedrooms, commercial space and similar information. Mr. Lee asked if any rendering could be provided at that time and Ms. Hopkinson answered negatively.

In response to Ms. Berk's comment, Mr. Kernan indicated that the design of the United Airlines building resulted from the program required by the primary tenant. President Wexler expressed the belief that in that example the design decisions made during the exclusive negotiations had resulted in a building that some of the Commissioners found less than satisfactory. Ms. Blomquist believed it would be difficult to envision the appearance of a development from a written description of the program. She was concerned that the design would not be reviewed until several months had been spent working with the developer and if the Commissioners then found the design unacceptable, it would be necessary to either proceed with the developer or spend a corresponding amount of time attempting to secure another developer. Ms. Hopkinson indicated that during this period staff would be able to review the architect's previous work and make judgments based on the quality of those developments. Ms. Blomquist noted that the Commissioners would not be able to spend the time necessary to make such evaluations. Ms. Shelley inquired about the need to change the present system and whether there were problems that the Commission did not know about that would necessitate a modification in the selection criteria. Mr. Kernan responded that there was apparently some concern among developers that they had to spend funds to submit designs before they were not selected. He suggested that for large projects the Commission may wish to consider selecting a developer with an excellent development team without having designs prepared and for the smaller developments which were easier and less costly to present, design material could be required. Ms. Shelley inquired if this would preclude developers without previous experience from participating if they could not provide similar designs from other developments. Ms. Hopkinson indicated that the offering criteria included a requirement that the development team be evaluated in terms of its experience. However, another offering would be prepared which would create an opportunity for community developers to submit proposals which would not require them to compete with professional developers.

W BUSINESS (continued)

In response to Mr. Lee's inquiry, Ms. Hopkinson indicated that of the two parcels, in Offering No. 21, one could accommodate approximately 22 residential units and the other was for two floors of commercial or office uses with a third floor of residential. Mr. Lee expressed the belief that a developer would not seek to use a major architectural team for these sites. President Wexler agreed and expressed the concern that even if a developer proposed using a major architectural firm, the architect that would design the building would not necessarily be the best designer in the firm.

Ms. Blomquist inquired about the uses for the two parcels noting that the redevelopment plan permitted certain uses and Ms. Hopkinson noted that staff's recommendation was in the offerings to give the developers guidance on the priority the Agency would use in their review of the proposals. President Wexler referred to a previous offering where the Commissioners had not chosen to select the developer submitting a proposal for the preferred use and expressed the belief that it was important for the Commissioners to agree on the desired uses. Ms. Hopkinson noted that staff recommended preferential consideration be given to proposals to develop residential uses for the parcel on Gough Street although the Redevelopment Plan permitted development of commercial on this site. The Commissioners concurred in this recommendation. In response to President Wexler's inquiry, Ms. Hopkinson indicated that the uses for the parcel on Eddy Street included restaurant and office for the first and second floors and residential on the third floor. The Commissioners commented that the offering brochure they had reviewed did not contain this recommendation and Ms. Hopkinson noted that it had been sent to them for review as to form and the actual offering would subsequently be provided for their review and approval. The Commissioners indicated their preference for allowing residential use wherever the Agency was legally allowed to permit housing units to be developed.

Mr. Porter observed that the Gough Street parcel is adjacent to residential areas and suggested that there was also a major need for retail, commercial, and services. Mr. Kernan indicated that the Redevelopment Plan permitted residential over commercial use on the first floor. In response to Mr. Porter's inquiry, Mr. Kernan noted that there was some street parking available in the area. Ms. Hopkinson noted that this was a small site and it would be necessary to provide certain parking space. Mr. Glickman concurred noting that it was only possible to do so much on one small site. Mr. Kernan noted that the offering remained silent on the preferred use on the first floor so that a developer would be able to work out a program which was economically feasible based on either using the space for parking or commercial or a combination of both uses. In response to Mr. Porter's inquiry, Ms. Hopkinson noted that the offering would also indicate that family units rather than studio apartments would receive preferential consideration by the Agency.

President Wexler indicated that it appeared the only issue was the question of inclusion of a design requirement in the selection criteria. Ms. Shelley expressed concern that it would be difficult for the public to be involved in the selection process if the design was not also considered in the public meeting. Ms. Hopkinson suggested that such a public review of the design could be conducted before the Land Disposition Agreement (LDA) was approved. The primary difference would be that only one developer's design would be reviewed.

NEW BUSINESS (continued).

Mrs. Rogers expressed her support for the staff recommendation that the developers not be required to submit design proposals. She believed that competition between developers excluded small developers who needed the Agency's assistance in preparing proposals. In response to Mrs. Roger's inquiry, Ms. Hopkinson noted that the community would have an opportunity to review the design before the LDA was approved.

Mr. Charles Krause indicated his belief that the larger parcel would make an excellent site for a bus terminal since it was near the freeway and commented that there were numerous jobs on the Peninsula to which people could be interested in commuting.

Mr. Lee stressed his belief that the provision of design at the time developer's proposals are submitted is necessary to provide a basis for the Commissioners to evaluate the submissions. He urged that developers be required to provide a rendering and design material be submitted in accordance with a set criteria. He did not believe that this create a problem for developers. Ms. Berk indicated that she shared the concerns that small developers would not be able to compete with larger developers. However, she felt that the Commissioners needed to have an opportunity to see proposed designs and urged that there be competition as a method of providing the most creative program.

MOTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. SHELLEY THAT THE STAFF BE DIRECTED TO DEVELOP A SET CRITERIA AND INCLUDE IT IN OFFERING DOCUMENTS FOR THE PROVISION OF DESIGN ELEMENTS SUFFICIENT FOR THE COMMISSIONERS TO EVALUATE AS PART OF THE SELECTION CRITERIA FOR DEVELOPMENT PROPOSALS, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Lee
Mr. Porter
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

Mr. Glickman

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

Mr. Glickman indicated that he had voted in opposition to the motion because he was concerned that developers would provide attractive renderings which did not actually portray the development proposed. He indicated that he would oppose any changes in development programs.

Mr. Kernan indicated that the offering brochure would be modified to include the design criteria and submitted to the Commissioners for their consideration.

JOURNMENT

It was moved by Mr. Glickman, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:30 p.m.

Respectfully submitted,

Helen L. Sause
Secretary

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
13TH DAY OF FEBRUARY 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 13th day of February 1980, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Parree Porter, Vice President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Joan-Marie Shelley (joined the meeting at 4:50 p.m.)

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and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Benny Stewart, Arnold Townsend, Lisi Lord, and Essie Collins, Western Addition Project Area Committee (WAPAC); Dr. Hannibal A. Williams and Linda Crayton, New Liberation-United Presbyterian Church; J. Muzzy, Presbyterian of San Francisco; Nicholas A. Sapunar, Sapunar & Duerling; and Antonio Descaps and Jonathan Bulkley, representing Dr. Oscar Jackson and Bulkley.

Representing the press was Jerry Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Porter, seconded by Ms. Blomquist, and unanimously carried that the minutes for the Executive Meetings of January 22, 1980 and February 5, 1980 and the minutes of Regular Meetings of January 15, 1980, January 22, 1980, and January 29, 1980, as distributed by mail to the Commissioners, be approved.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that the minutes of the Regular Meeting of January 8, 1980 would be held over. There being no objection, it was so ordered.

REPORT OF THE PRESIDENT

President Wexler indicated his pleasure in announcing that the Request for Qualifications (RFQ) for the surface of the Central Blocks of Yerba Buena Center would be calendared next week for consideration and action. Mr. Hamilton concurred and noted that it is expected that Mayor Dianne Feinstein will appear to express her support for the RFQ.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) During his trip to Washington, D. C., he had met with Mr. Roland G. Freeman of the General Services Administration regarding Inchon Village, and reviewed the proposed schedule of activities that would permit GSA to convey the land in June. Mr. Freeman indicated that this schedule would be acceptable.
- (b) Mr. Hamilton also indicated that he also discussed the GSA lease of space in the Vanguard Development and this has been approved; however, the matter still has to go before Congress, but it is expected that will be accomplished quickly.
- (c) Mr. Hamilton indicated that he had learned of an unfavorable forecast for the early resolution of the Ullman Bill. He met with Senate Committee staff and with several key Congressmen and it appears that the most recent attempts to amend the Windfall Profits Tax legislation to incorporate the Ullman provisions have met with resistance from the Senate Committee. There is no progress on resolving the tax-exempt financing issues unless there is some agreement which creates a window through which projects that were in existence at the time of the legislation will be qualified that have inhibited specific programs including urban renewal projects. No one in Washington is very hopeful about an early conclusion of the matter.

UNFINISHED BUSINESS

- (a) Resolution No. 42-80 authorizing the Executive Director to execute and transmit requests for reservation of contract authority for conditional commitments for Section 235 Mortgage Subsidy, Condominium Conversion Program, Western Addition Approved Redevelopment Project Area A-2.

This authorizes the Executive Director to execute requests for reservation of contract authority for conditional commitments of HUD Section 235 Mortgage Subsidy Program funds. As previously reported, use of the Agency's Marks-Foran Loan Program has been affected by the Ullman Bill and this HUD program appears to be the most feasible alternative to offer moderate-income purchasers an opportunity to buy the units presently being rehabilitated by the Agency. The Section 235 program provides for a subsidy interest rate as low as 4 percent and limits the family housing costs to 20 percent of adjusted income. The maximum mortgage for one-to three-bedroom units is approximately \$46,000 with a maximum sale price of \$55,000. The Agency's request, if approved, will result in funds being reserved by HUD for the eventual purchasers of the units; however, this is not a commitment on the part of the Agency or the buyer to use the program. The units being rehabilitated are essentially in the buildings itemized in the February, 1979 workshop and will provide 67 units for sale as condominiums. One building, 1329 Pierce Street, has been deleted from the schedule and the site office has been substituted, and the three units building at 1734-38 Laguna Street has been added. Staff expects all units to be under rehabilitation by November. The Section 235 program appears to be the most favorable financing that can be made available to moderate-income families. There are some policy matters that will have to be resolved and staff will bring a program for using Section 235 within the next 60 days.

Mrs. Mary Rogers, Chairperson of the Western Addition Project Area Committee (WAPA) indicated that the committee had met last night to discuss the Section 235 funding proposal and agreed that they would approve the program with the proviso that the price not exceed \$46,500 with a three percent down payment and that the

FINISHED BUSINESS (continued)

Agency would request the Office of Community Development (OCD) for the funds to make up the difference between the maximum sales price and the \$46,500 limit. She indicated that this was based on WAPAC's concern that with a sales price of \$55,000 a down payment of \$9,000 would be necessary and that there were very few residents who had this amount. Mrs. Rogers indicated that if this program cannot work, then WAPAC would ask the Agency to look at the possibility of Section 8 cooperative program so that a viable program would be available for those who have been displaced.

Mr. Arnold Townsend, Executive Director of WAPAC, concurred in Mrs. Rogers' comments and indicated that many certificate holders could come up with the \$9,000 if FHA would accept second mortgages. He indicated that if the sales price were \$45,600, the down payments would be around \$1,600 or \$2,000 and would make the units available to more people. Mr. Townsend indicated that many units could be sold for \$55,000 but these prices were too high for the people who needed housing the most.

In response to President Wexler's inquiry, Mr. Hamilton indicated that the sales price is a question of policy to an extent that the cost can be absorbed and a determination that Community Development funds can be used to supplement the Section 235 mortgage. In response to Mr. Hamilton's request, Mr. William McClure Director of Rehabilitation, indicated that when the condominium program was first started, an estimated sales price was established of \$55,000 for each unit based on the anticipated rehabilitation costs. If the units are sold at a lower price, the Agency will lose money. At \$45,600, the loss will be \$639,000. Mr. McClure indicated that this would have to be a policy decision by the Commissioners and concurrence of Office of Community Development (OCD). Mr. McClure noted that staff had made alternative analyses of the 67 units, trying to solve the problem. By selling 13 of the units at fair market value, 54 could be sold at \$45,600 to reach the break-even point. Mr. McClure suggested that this alternative may be a consideration. President Wexler indicated that there was no immediate clear answer and that it might be appropriate at this time to announce that the workshop scheduled as Item (i) on the Agenda for today will be continued because the necessary information was not yet ready. The Commissioners need more input on this program and other proposals for keeping sales prices as low as possible and he felt it would be unwise to make such decisions today. He indicated that he appreciated hearing some of the options that may be available to achieve the goal of reducing housing costs and looked forward to having staff present the options available to the Commissioners. Mr. Hamilton concurred and indicated that staff would present the alternatives and recommend a policy for the Commissioners' consideration.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 42-80 BE ADOPTED.

Mrs. Rogers urged that staff continue to work with WAPAC to reduce the sales prices of these properties. President Wexler concurred noting that staff will continue to work on the questions that have been raised and will develop alternatives for the Commissioners' consideration. He indicated that staff would consult with WAPAC. Mrs. Rogers stressed that if the sales prices were \$55,000, WAPAC would not support the program. Mr. Benny Stewart of WAPAC suggested that a Task Force be appointed to explore the possibilities made up of WAPAC, staff, and a representative number of persons in order to develop the most feasible cost for low-and middle-income persons. He felt that a more thorough analysis

UNFINISHED BUSINESS (continued)

could be accomplished. President Wexler indicated that he would recommend that the closest and most effective working relationship possible will be carried on with WAPAC but that staff remained responsible to report back to the Commission.

At this time, Ms. Shelley joined the meeting at 4:50 p.m.

NEW BUSINESS

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that Item 9 (c) would be taken up out of agenda order under New Business. There being no objection, it was so ordered.

- (a) Resolution No. 44-80 authorizing third extension of time for submission of evidence of equity capital and mortgage financing as set forth in the Disposition Agreement as amended with the Presbytery of San Francisco for the Disposition of Parcel 1128-B, southeast corner of Divisadero and Eddy, Western Addition Approved Redevelopment Project Area A-2.

This item authorizes an extension of time for the Presbytery of San Francisco to provide evidence of equity capital and mortgage financing until October 1, 1980. The Presbytery executed a Land Disposition Agreement (LDA) with the Agency for this 6,300-square-foot parcel of land adjacent to the New Liberation-United Presbyterian Church on the southeast corner of Divisadero and Eddy Streets in the Western Addition A-2, in June, 1974. Since that time the church has had difficulty acquiring an adjacent parcel owned by the San Francisco Housing Authority and could not proceed with the development until there was agreement that this lot could be acquired. This assurance has now been obtained and the Presbytery and the New Liberation have also worked out a program for the operation of the child care center that is to be built on this parcel and developed the program for funding both the operation and the construction of the facility. Fund raising efforts are now in process and the staff believes that the church is undertaking an effort that will be successful in concluding this development proposal. Staff recommends extension of the evidence of financing until October 1, 1980 and execution of a new right of entry agreement for the Presbytery to use the property in the interim for parking with the understanding that the Presbytery will maintain the property.

Dr. Hannibal A. Williams, pastor of the New Liberation-United Presbyterian Church, indicated his pleasure in meeting with the Commissioners and Mr. Hamilton. He believed the church had finally arrived at a point where they would not need further extensions and expect to start construction this year. He hoped to expedite the proposed schedule. He indicated that Mr. J. Muzzy, the financial advisor for the Presbytery, was present, and also an elder of the church, Ms. Linda Crayton, who is in the process of organizing the Board of Directors for the actual operation of the child care center.

Mrs. Crayton indicated that they had received a \$20,000 grant for the child care center from the Women's Opportunity Giving. She indicated that she was in the process of forming a community-based Board of Directors composed of people who have children to be involved in the formative steps of the center. She indicated that the center had additional firm commitments for funding. Dr. Williams in that the operational program has been worked out with Agency staff and with the assistance of staff had formulated the successful proposal that resulted in the \$20,000 grant. There are other pledges of funds which are expected over the next couple of years.

NEW BUSINESS (continued)

Mr. Muzzy of the Presbytery of San Francisco indicated that the property and program funding had to be acquired before an application could be made for capital funds. He indicated that they now had commitments from the national church. He expressed confidence that the capital funding would be provided by early spring or summer and it was anticipated that construction could begin early this summer.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 44-80 BE ADOPTED.

President Wexler expressed the Commission's pleasure that this project will soon be in construction and noted that he could think of nothing that would provide greater benefits to the Western Addition than child care facilities which allow parents to know that their children are well taken care of while they work.

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1129-B, southwest corner of Divisadero and Eddy, to Nicholas A. Sapunar and Mark L. Duering, Western Addition Approved Redevelopment Project Area A-2.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1129-B, Western Addition Approved Redevelopment Project A-2. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

Resolution No. 12-80 authorizing execution of Agreement for Disposition of Land for Private Development and other conveyance instruments in connection with the sale of Parcel 1129-B; approving the disposition value and ratifying publication of Notice of Public Hearing, Western Addition A-2.

This item authorizes execution of the Land Disposition Agreement with Nicholas A. Sapunar and Mark L. Duering for the 31,118 square-foot-parcel located on the southwest corner of Divisadero and Eddy Streets for the development of 33 market-rate condominium units and approximately 1,600 square feet of retail commercial. The Land Disposition Agreement (LDA) provides for evidence of financing to be submitted by December 1980, commencement of construction February 1981 and completion by April 1982. These are outside dates and the developer anticipates being able to accelerate the performance schedule. The disposition price for this parcel is \$83,100 based on fair-market value. Authorization to convey this property is recommended.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION 12-80 BE ADOPTED.

- (b) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1100-D(1), east side of Beideman, between Ellis and O'Farrell, to Oscar J. Jackson and Jonathan D. Bulkley, Western Addition Approved Redevelopment Project Area A-2.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1100-D(1), Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

NEW BUSINESS (continued)

Resolution No. 38-80 authorizing execution of Agreement for Disposition of Land for private development and other conveyance instruments in connection with the sale of Parcel 1100-D(1); approving the disposition value and ratifying publication of Notice of Public Hearing, Western Addition Approved Redevelopment Project Area A-2.

Authorization to execute a Land Disposition Agreement with Oscar J. Jackson and Jonathan D. Bulkley is recommended for conveyance of a 9,000-square-foot parcel on the east side of Beideman Street between Ellis and O'Farrell Streets in the Western Addition A-2. The developers intend to build a six-unit town house development for sale. The development schedule requires evidence of financing to be submitted November of this year, commencement of construction February 1981, and completion February 1982. These are also outside dates and the developer anticipates being able to accelerate this schedule. The disposition price of \$21,600 was established by appraisal.

Ms. Blomquist inquired about the delay in the conveyance and construction of these developments, and Ms. Hopkinson responded that these were the parcels that were part of the offering slowed down by approval of the new Land Disposition Agreement. President Wexler indicated that this development had taken approximately three months longer than the others and also seemed to have outside dates that were exceptionally long. Ms. Hopkinson responded that until the Land Disposition Agreement was approved the developer had no assurance that the land would be conveyed and most developers would not proceed to do more than schematic drawings prior to execution of the LDA. They will now go ahead with the final drawings.

In answer to President Wexler's inquiry, Ms. Hopkinson indicated that not all of the LDA's were sent to the developers in September of 1979. Those that were rental projects under SB 99 were sent out, however, this project was one that was extended late in 1979. She indicated that the LDA was sent out approximately 60 or 90 days ago, which she did not believe was a significant period of time. Mr. Lee noted that these parcels both had an interval of six months prior to submitting documents. Ms. Hopkinson noted that this was a four-month period. Mr. Lee indicated that it seemed exceptionally long for a six-unit building, and Ms. Hopkinson noted that these were outside dates. Mr. Lee indicated he was always disturbed when a small building took so long from start to completion, and Ms. Hopkinson indicated that there is considerable delay in the City's Building Department and there have been instances where a one-or two-unit building took five months to get out of the City Planning Department.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 38-80 BE ADOPTED.

- (d) Resolution No. 45-80 entering into Letter Agreements with the San Francisco Housing Authority for compensation for installation of handrails at 939 and 951 Eddy Street, Western Addition Approved Redevelopment Project Area A-2.

This item authorizes execution of letter agreements with the San Francisco Housing Authority for the acceptance of funds to compensate for the cost of installing handrails in the two buildings on Eddy Street that have been rehabilitated for elderly and handicapped persons. The LDA's for these properties have been approved by both the Agency and the San Francisco Housing Authority and after that approval HUD added a requirement for installation of handrails in the public corridors. Rather than readvertise the LDA's with these increased

costs and again obtain approvals from the Agency and the San Francisco Housing Authority, it is recommended that these handrails be installed by change order under the existing rehabilitation contract. This will also enable the San Francisco Housing Authority proceed with rental of the units. The Agency will be ultimately compensated for these change orders at the time of conveyance through letter agreements with the San Francisco Housing Authority. The change orders are estimated to be: 939 Eddy Street, \$4,652; 951 Eddy Street, \$7,581.

In response to Ms. Blomquist's inquiry, Mr. Gene Suttle, Area Director of Western Addition Area A-2, indicated that the Agency had discontinued providing security services for these buildings, February 6, 1980.

ADOPTION: IT WAS MOVED BY MR. PORTER AND SECONDED BY MS. BLOMQUIST THAT RESOLUTION NO. 45-80 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Porter
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

Mr. Lee

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

Mr. Lee indicated that he had abstained because of a possible conflict of interest.

- (e) Consideration of authorizing permission to advertise Demolition Contract No. 75 to clear 601 Van Ness, Block 772, Lot 5, Western Addition Approved Redevelopment Project Area A-2.

Authorization is requested to advertise for bids to clear the Opera Towers site. This contract will include clearance of the remaining building, the Doggie Diner, and all asphalt from the block. The Doggie Diner, Inc. has agreed to vacate the premises by March 5, 1980, and it is necessary to have a demolition contractor ready to move on to the site to clear this structure to permit the construction of the 463-unit Opera Towers Plaza Development to proceed on schedule. Construction is to commence in April for that project.

MOTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT DEMOLITION CONTRACT NO. 75 BE ADVERTISED, WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2.

- (f) Resolution No. 46-80 extending time heretofore granted the Parking Authority for Exclusive Negotiations for Parcel 3735-D, northwest corner of Third and Clementina, Yerba Buena Center Approved Redevelopment Project Area

It is recommended that the period of exclusive negotiations be extended for the Parking Authority's development of a 750-space parking garage on the parcel

NEW BUSINESS (continued)

on the northwest corner of Third and Clementina Streets. This extension will enable the Agency to have the specific Land Disposition Agreement approved by the City, schedule a public hearing, and calendar the item for action by the Agency's Commission. Since considerable review time is required by the City to evaluate the documents, it is recommended that a six-months' extension be granted until August 1980. It is anticipated that the parking garage will receive final approval by the Board of Supervisors April 1980 and the Agency will have the LDA before the Commission for consideration July and construction will start in November with completion October 1981.

ADOPTION: IT WAS MOVED BY MS. SHELLEY, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 46-80 BE APPROVED.

- (g) Resolution No. 47-80 authorizing the Executive Director to execute a Letter Agreement with the City and County of San Francisco to provide the services of an employee to the Mayor's Office of Community Development.
- (h) Resolution No. 48-80 amending Resolution No. 162-79, adopted June 5, 1979, establishing Classifications and Compensation Schedules for agency staff.

Mr. Hamilton indicated that both items (g) and (h) concern the necessity to formalize the position held by Mr. Martin Gustavson in the Office of Community Development.

Authorization is requested to execute a letter agreement with the City to continue the work order arrangement which provides the services of Mr. Martin Gustavson to Office of Community Development (OCD) for the 1980 Community Development year. When OCD was established late in 1972, technicians from several City offices and agencies were transferred to provide the technical expertise needed by the Mayor to supervise the Community Development program. At that time employees were transferred on by work orders which allowed Agency employees to be on a leave of absence status and continue their participation in the state retirement system. Mr. Gustavson is the one Agency employee remaining on such a transfer, and recent changes in the City Controller's procedures now require a formal agreement be executed between the Agency and the City to continue Mr. Gustavson's services. Federal funds are included in OCD's administrative budget to continue to fully reimburse the Agency for Mr. Gustavson's salary and fringe benefits and the Agency will be indemnified by the City for any liability incurred as the result of his services. Therefore, staff recommends approval of this agreement since it continues to provide assistance to OCD and is in the best interests of the Agency.

The companion item to the Letter Agreement formalizes the position held by Mr. Gustavson in the Agency's salary classification. The classification is entitled "Deputy Director for Fiscal Management and Program Performance." This does not affect the Agency's staffing or salary requirements and will continue Mr. Gustavson's salary at the compensation schedule plan established for his classification, No. 52, equivalent to \$1,174 to \$1,421 each biweekly pay period. It is recommended that this classification be added to the Agency's salary resolution effective February 1, 1980.

Mr. Jim Johnson, Director of the Office of Community Development, concurred in Mr. Hamilton's comments. He noted that Mr. Gustavson is a valuable asset to OCD. Mr. Johnson indicated that the Agency will incur no additional

EW BUSINESS (continued)

costs and this action was necessary because the City has changed its financial management system. He indicated that the Agency can contract for services by work order from the City, but the City cannot use the work order procedure from the Agency. He recommended the Commissioners' approval of these two items.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 47-80 BE APPROVED.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 48-80 BE APPROVED.

- (i) Workshop on techniques available to create market-rate ownership housing at lowest prices, Western Addition Approved Redevelopment Project Area A-2.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that the workshop on techniques available to create market-rate ownership housing at lowest prices, Western Addition A-2, be held over.

There being no objection, it was so ordered.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 5:25 p.m.

Respectfully submitted,



Helen L. Sause
Secretary



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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
19TH DAY OF FEBRUARY 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 19th day of February 1980, the place, hour, and date duly established for the holding of such meeting.

Howard M. Wexler, President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Joan-Marie Shelley

DOCUMENTS DEPT.

JUN 19 1980

and the following were absent:

Parree Porter, Vice President
Melvin D. Lee

SAN FRANCISCO
PUBLIC LIBRARY

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers and Benny Stewart, Western Addition Project Area Committee (WAPAC); Odie Rogers, Bayview-Hunters Point Joint Housing Committee (JHC); Terence Comerford Frank Soriano and Bruce Rothenberg, Blyth, Eastman, Paine, Webber, Inc.; Peter Gorman, Office of the Mayor of the City and County of San Francisco; Thomas Caillinan, Opera Towers Plaza; James Jefferson, Solid Rock Missionary Baptist Church, William Ramseyer, Questor Associates; and Charles Krause and Henry Lee, interested citizens.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The staff has been requested by Mayor Dianne Feinstein, who was scheduled to appear in connection with the public hearing regarding the Request for Qualifications (RFQ), that the matter not be considered today but be held over for one week. This request for a week's delay will enable Chief Administrative Officer Roger A. Boas to meet with staff and community groups.
- (b) The proposed merger of the San Francisco Housing Authority and the Agency is scheduled to be heard by the Planning, Housing, and Development Committee of the Board of Supervisors at 2 p.m. on February 20, 1980. This is the resolution originally proposed when Mayor Feinstein was a Supervisor and she had also subsequently requested that it be tabled. Mr. Hamilton indicated he did not have any information on the intent of the Committee but it appeared that the matter was calendared at the request of Supervisor John Molinari. Mr. Hamilton indicated he would keep the Commissioners advised.
- (c) Mr. Hamilton reported on actions taken by the Commissioners with regard to his specific recommendations on staff reassignments, creation of two new positions and deletions of classifications as appropriate to accommodate changes in the

REPORT OF THE EXECUTIVE DIRECTOR (continued)

Agency's programs since the Agency is now undertaking major marketing activities and has new projects coming on line this year. Therefore, he recommended certain internal staff alignments and the Commission has acted as follows: Mr. Frank Cannizzaro has been appointed Project Director for the Northeastern Waterfront; Mr. Demetrio Salvador will assume Mr. Cannizzaro's former position of Chief of Engineering; Mr. Richard Kono will become Deputy Director of Development, vacating his old position as Deputy Director of Western Addition A-2; Mr. Douglas Myers will assume the position of Development Coordinator; and Mrs. Helen Sause will assume Mr. Myers' former position as Project Director for Yerba Buena Center, continuing to retain her title and functions as Secretary of the Agency. Mr. Hamilton indicated he looked forward to the continuing success of these staff members in their new duties and noted that the Commissioners' voted unanimously on these reassignments.

President Wexler extended his best wishes to all five individuals and noted with particular interest the new Directors for the Yerba Buena Center and the Northeastern Waterfront projects because these two were particularly vital programs, one of which is now underway after years of delay and the other which is expected to receive the full approval of the Board of Supervisors later this year when it also will be underway.

President Wexler indicated that the Commissioners had just received a modification of the Request for Qualifications (RFQ) and requested that this material be coded to reflect changes from the December 14 and 28, 1979 versions of the RFQ. Mr. Hamilton indicated that staff would highlight the changes and provide the Commissioners with this information.

NEW BUSINESS

- (a) Approving SB-99 program approach, including the investment banker, Blyth, Eastman, Paine, Webber, Inc., and other required consultants, Western Addition Approved Redevelopment Project Area A-2.

This item along with 9(b) approves the program for use of the SB-99 financing mechanism in Western Addition A-2. The SB-99 program involves a number of complex elements which will require the services of consultants. Essentially, staff is looking to establish such elements as the following: (1) Agency-issued bonds for construction/permanent mortgage financing; (2) investment banker to act as the account manager for the sale of the bonds; (3) the originator and servicer for the loans that are to be serviced; (4) program administrator to review and coordinate individual loans; (5) special hazard and private mortgage insurers; (6) a trustee for the disbursement of funds; (7) a feasibility study for the bond sales; (8) bond counsel; and (9) an accounting firm to verify the cash flow of the bonds. The Federal legislation, known as the "Ullman Bill," has inhibited the Agency from proceeding with the use of the SB-99 program, and the Agency has recently been advised by the bond counsel that the Congressional committee reviewing the proposed legislation has issued a report which allows several Agency developments to be eligible for SB-99 financing. The Agency, therefore, is now in a position to implement the use of the SB-99 program for the Western Addition A-2. At this time there are thirteen developments, both rental and sales units, which comprise over 1,000 units that may be eligible for use of SB-99 financing. Mr. Hamilton indicated

that he would now like to obtain the Commissioners' conceptual approval of proceeding with this funding program and use of the investment banking services of Blyth, Eastman, Paine, Webber, Inc. to proceed with the sale of the bonds. The fees for the investment banker are paid from the sale of the bonds, and a contract for their services will be brought to the Commissioners for their consideration at a later date. Approval of this program approach is recommended to permit the use of the SB-99 financing, on the basis of these actions are necessary in order to be in a position to proceed with SB-99. The recommended actions are: (1) approval of the SB-99 financing approach; (2) authorization to negotiate with Blyth, Eastman, Paine, Webber, Inc., and (3) contract with Questor Associates for the feasibility studies, as referenced in the following item.

- (b) Resolution No. 51-80 approving a contract with Questor Associates for an SB-99 feasibility study, Western Addition Approved Redevelopment Project Area A-2.

This item provides for the services needed to conduct the feasibility studies to implement the SB-99 program for Western Addition A-2 through approval of a contract with Questor Associates for \$32,000 to conduct this study. This firm is recommended, because it is the foremost consultant in this field and it has been working actively with the bond-rating services on the Ullman legislation. In addition, it is a local firm readily available to respond to the Agency's time schedule. Questor Associates will provide the basic services necessary to obtain a favorable bond rating and determine market and program feasibility for a fixed price of \$27,000. In addition, \$5,000 is included in the contract for services to be provided on an as-needed basis. These would essentially include meetings with officials, potential lenders and the rating services, and on specific efforts to process and obtain a rating. Staff has determined that Questor Associates can provide a draft report of its findings in a form acceptable to the rating agency by March 14, 1980, which will permit developments such as Opera Towers Plaza, Bushmoor and Sapunar and Duering to proceed on schedule. The Agency will be reimbursed for this expense from bond proceeds.

Ms. Judith Hopkinson, Director of Development, indicated that the program represents the SB 99 program approach primarily concerning the type and method of consultant selection. Staff is also requesting consideration of the Blyth, Eastman, Paine, Webber, Inc. as underwriters for the bonds. If the Commissioners approve the firm in concept, a contract will come before the Commissioners at a later time. This bond issue essentially includes Opera Plaza, Bushmoor, and Sapunar and Duering and there would be separate bond issues within the framework of the program. These will be brought back for consideration. One activity not included in the program information provided to the Commission is for bond printing services and the official statement for legal documents. Ms. Hopkinson indicated that staff requested proposals for investment banking services in 1978. A committee of staff and Western Addition Project Area Committee was formed to evaluate the 12 responses and six firms were interviewed at length. Two firms were recommended to Messrs. Hamilton; Redmond F. Kernan, Deputy Executive Director; and Jane P. Hale, Assistant Executive Director for Finance and Administration; who reevaluated the submittals on the basis of the firms' experience in the housing field in California, other housing, and experience in financing. The firms have local availability and the underwriting capacity necessary to sell the bonds at the lowest interest rate possible. Experience in the California bonds market is essential. The firm of Blyth, Eastman, Paine, Webber, Inc. has all of the desired qualifications and the

NEW BUSINESS (continued)

experience in SB-99 financing and other housing bond issues, is locally available, and has a technical and professional staff who are expert in municipal financing. She noted the presence of Messrs. Terence Comerford, Frank J. Soriano, and several others present from the firm's New York office.

The proposed contract with Questor Associates is based on several factors. The firm was retained by the Opera Towers Plaza and did all the initial work on standards for SB-99 for the Western Addition A-2 project. The services needed are not the same as feasibility studies that are done for regular commercial lenders. There are only two other companies that do this work but they did not have the high regard of the rating services that Questor Associates had. In addition, this firm is also located in the city and is available for this project within the time frame needed to meet the schedule.

Ms. Blomquist inquired about the amount of money for the Blyth contract, and Ms. Hopkinson responded it was not a fixed fee but was based on the market of the bonds at this time. When the bonds are sold the underwriter will be compensated based on whether there is a good or bad market. It is believed by Blyth that when the bonds are sold the market will be at 29 to 33 percent per \$1,000 face value or approximately \$1.5 to \$2.1 million. Ms. Blomquist asked if Blyth was also the underwriter for the Yerba Buena Center bonds, and Ms. Hopkinson responded that they were only the financing consultants.

Mrs. Mary Rogers, Chairperson of Western Addition Project Area Committee (WAPAC), inquired about the amount of profit developers who participate in the SB-99 program are allowed to make upon selling the developments. Mr. Hamilton replied that the question of limiting profits was one the Agency has considered. A workshop has been scheduled for next week which will involve discussions with the Commissioners, staff, and public on the options available to limiting profits. The total range of options will be looked at regarding the benefits from the program. Mrs. Rogers believed the workshop ought to be held prior to making any commitments for the program. Mr. Hamilton responded that the concerns raised by Mrs. Rogers are valid but the workshop will relate to a broader policy issue of how profits are to be treated in the SB-99 financing program which is not relative to the issue before the Commission of getting the mechanism in place. Mrs. Rogers reiterated her belief that everyone ought to know the program requirement, and if restrictions are placed on developers using SB-99 financing then these should be known beforehand. President Wexler indicated that today's action would not advance any funds to anyone.

Mr. Glickman noted that the Agency could choose to impose restrictions on developers using the SB-99 financing. Agency General Counsel Leo E. Borregard concurred noting there were certain limitations in terms of resale, however, he had not researched the SB-99 financing mechanism prohibiting additional limitations. Mr. Borregard indicated that he would look into the matter and advise the Commission.

Ms. Hopkinson indicated there were certain conditions which applied to Offering Nos. 18 and 20 in the offering documentation which stated that the Agency would provide SB-99 financing but it did not provide for any profit controls. The lower take-out financing can affect the total project costs and may be necessary for the projects to go forward. Mr. Glickman commented that a developerselling units can see the lower interest passed onto the eventual

BUSINESS (continued)

owner and this could enhance the sales and the developer's profits. Ms. Hopkinson concurred that this financing made the units more marketable. Mr. Hamilton noted that the issue is who derives the benefit from the Agency making the SB-99 program available and it should be carefully scrutinized to ascertain if there are any excessive profits to be realized.

Ms. Blomquist inquired about the timing of such an evaluation, and Mr. Hamilton replied it would be when a specific developer requests a change from rental to sales and that such a request would come back before the Commissioners. President Wexler expressed the belief that the Agency was offering attractive financing and barring some legal or moral impediment the Agency should have the power to impose appropriate restrictions on the use of such financing. He requested that this matter be further evaluated as a method of lowering the price of housing. Mr. Hamilton reiterated his agreement but recalled that the SB-99 mechanism was provided to induce developers to build in an area where an economic integration was necessary to make renewal successful.

President Wexler inquired about the selection process for the consultant and indicated his understanding that the firm recommended essentially had no equal in the profession. He commented on his recognition of the good quality of Blyth but he believed the Commissioners needed to have some information as to why this firm is superior to any other competing company. He asked for information on the staff evaluation. He stressed that he was not questioning the recommendation but needed more information and recommended the negotiations not be acted on until the Commissioners had more information. Ms. Blomquist inquired if these services were required by legislation, and Mr. Hamilton indicated that it was necessary to satisfy the underwriters. Ms. Hopkinson noted that the contract is divided into two categories with a \$27,000 fixed charge to do the feasibility study and the other category is based on the amount of services required. It is not known at this time the work to be done to satisfy the rating services. Ms. Blomquist asked how long Blyth had been in business and Ms. Hopkinson replied since 1972. She also indicated that other firms had not done significant housing of SB-99 feasibility studies. In addition, Blyth is located in the city. It has 33 employees and is the only firm working on this type of financing. In response to Ms. Blomquist's inquiry, Ms. Hopkinson indicated that the fee was reasonable and would be paid from the bond sale. Mr. Hamilton asked about the additional information needed by the Commissioners and President Wexler responded that information should be provided on the comparative merits of each firm. Mr. Hamilton responded there was a spread sheet evaluating five specific factors for all of the firms. He indicated that these factors included special experience in SB-99, local availability, the underwriting capacity, and ability to achieve a favorable bond rating. The result of evaluating these qualifications was that the Blyth firm was recommended. Ms. Hopkinson explained that there were six firms which had been interviewed and two dropped out when additional information and evaluation was made relating to getting a bond rating and also as to their reputation in the field of underwriting. One firm dropped out because it wanted to joint venture and the fourth was already involved within the Agency and had other problems so these dropped out also, leaving only one firm in addition to Blyth.

Ms. Berk commented that objective data was needed for the Commission to evaluate these factors. She asked for data to be sent to the Commissioners in advance

NEW BUSINESS (continued)

of consideration of this matter. Mr. Hamilton indicated he would provide this information. President Wexler indicated that he anticipated reaching the same decision as staff when he saw the analysis but he would like to see the summary of comparative data and suggested a one-week delay. He noted that his concern was only with 9(a) and not 9(b). Mr. Glickman concurred that more information was needed.

Mr. Thomas Callinan of Opera Towers Plaza came forward and indicated that the project was on schedule and all approvals had been obtained a week ago. He anticipated starting construction in April but this depended upon the action today. He believed that Questor Associates had proven itself in the field and urged that action be taken so the schedule could be maintained. Ms. Blomquist inquired if a one-week delay would be a problem for a decision on the Blyth contract and he believed that this was up to the Commissioners. Mr. Glickman indicated that as member of a public agency he believed he had an obligation to have more facts before making any decision.

President Wexler asked when the bonds would be issued, and Mr. Hamilton replied that bond delivery was scheduled for May 14, 1980. President Wexler assumed ground would be broken then, but Ms. Hopkinson explained that the bonds must be sold one week before construction starts on April 14, 1980 to secure the construction loan.

MOTION: IT WAS MOVED BY MR. GLICKMAN AND SECONDED BY MS. BERK THAT STAFF PROCEED TO DEVELOP THE SB-99 PROGRAM FOR WESTERN ADDITION A -2 INCLUDING ALL DOCUMENTS AND OTHER MATERIALS THAT DETERMINE WHO WILL MEET THE UNDERWRITING REQUIREMENTS AND ALSO PROGRAMMING ADMINISTRATIVE DOCUMENTATION INCLUDING THE ISSUANCE OF AGENCY BONDS FOR CONSTRUCTION AND PERMANENT MORTGAGE FINANCING AND THE ORIGINATORS AND SERVICERS FOR THE LOANS THAT ARE TO BE SERVICED, AND ALSO THAT STAFF WILL PRESENT TO THE COMMISSION ALL MATERIAL WHICH WILL EXPLAIN THE BASIS FOR ITS DECISION FOR THE CHOICE OF THE FIRM OF BLYTH, EASTMAN, PAINE, WEBBER, INC. AS INVESTMENT BANKING SERVICES, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT DECLARED THEREUPON THAT THE MOTION CARRIED.

In response to Mr. Lee's inquiry, Mr. Hamilton responded that this action essentially approved the SB-99 program approach.

MOTION: IT WAS MOVED BY MR. GLICKMAN AND SECONDED BY MS. SHELLEY THAT RESOLUTION NO. 51-80 BE ADOPTED.

NEW BUSINESS (continued)

President Wexler inquired about the fee and Mr. William Ramsayer of Questor Associates indicated that the fee of \$27,000 is based on use of principal and associates at \$90 to \$65 time required. Mr. Borregard indicated that the resolution would be amended to reflect the \$27,000 maximum with compensation based on an hourly rate and a \$5,000 fee for extraordinary services not to exceed a total of \$32,000.

MOTION: IT WAS MOVED BY MR. GLICKMAN AND SECONDED BY MS. SHELLEY THAT THE CONTRACT FOR THE FEASIBILITY STUDY BE APPROVED AND THE MAXIMUM OF \$32,000 FOR WORK THAT IS SPECIFIED IN THE AGREEMENT BE PERFORMED FOR THE HOURLY WAGES AS SET FORTH IN THE AGREEMENT IN SB-99 FOR WESTERN ADDITION A-2.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN AND SECONDED BY MS. SHELLEY THAT RESOLUTION NO. 51-80 BE ADOPTED, AS AMENDED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Mr. Glickman
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

At this point, President Wexler announced that Item 9(i) would be held over for one week.

- (c) Resolution No. 52-80 approving the method of sale and minimum disposal prices for Parcel 743-A, south side of Eddy between Van Ness Avenue and Franklin; Parcel 768-A, east side of Gough between McAllister and Golden Gate Avenue; approving placement of advertising and making certain findings and determinations in connection therewith, Offering No. 21, Western Addition Approved Redevelopment Project Area A-2.

Authorization is requested to offer the two remaining parcels in the Van Ness/Gough Corridor for development. The first parcel contains 23,950 square feet and is located on Gough between McAllister and Golden Gate. The sales price is \$167,650 and the preferred use is market-rate residential development for units suitable for family housing. The second parcel has 6,870 square feet and is located on the south side of Eddy Street between Van Ness and Franklin. The sales price of this parcel will be \$68,700. The preferred use for this parcel is commercial and/or office on the first two floors and market-rate residential on the third floor. The offering will be made available for approximately 90 days. It is anticipated that WAPAC and staff reviews will be completed and the proposals submitted to the Commission in mid-August. Your authorization to issue this offering and expend an amount not to exceed \$3,200 for advertising is recommended.

NEW BUSINESS (continued)

Mr. Glickman inquired about the appraised values of these properties and expressed the belief that they were being sold at a subsidized price and Ms. Blomquist concurred. President Wexler expressed concern that a change in the offering would delay sale of these parcels. Mr. Hamilton commented that the premise that the land was subsidized in renewal areas is debatable. The land is priced through accepted appraised techniques and concurred in by HUD. The program is designed to encourage development in areas that need assistance in order to stimulate and have the kind of development needed. There are also certain impediments to development that do not exist outside the project areas. These are stringent design controls, affirmative action requirements, and similar elements that are not required elsewhere. Mr. Glickman concurred that previously it may have been necessary to have a catalyst because property in these areas was difficult to sell but he now believed renewal areas are now desirable locations, particularly, since there is little property available in the city. President Wexler believed that the Agency should evaluate the advantages being given the developer and request certain things from the developer to benefit the Agency's housing programs. He inquired about the timing of the offering and the possibility of amending it. He also noted that next week the Agency was holding a workshop on such issues and since those discussions may require two weeks to conclude. This item could be approved subject to future modification. Mr. Hamilton responded that the offering should be held until an analysis has been made of the techniques. He suggested holding the offering until after the workshop and if the results of that discussion could be incorporated in the offering without major delay it would be the best way to proceed. President Wexler requested that the offering language concerning the basic concept drawings be elaborated.

Mrs. Rogers agreed with the proposal that the item be held over. Mr. Benny Stewart of WAPAC requested that in the workshop Ms. Hopkinson be asked how to pass on the housing subsidies. Mr. Hamilton noted that former Mayor George Christopher had expressed interest in the building on Parcel 743-A. However, he believed the issues should be explored in the workshop. Mr. Hamilton stressed that the Agency sells the land at prices determined to be fair-market value and noted that it cannot legally write down the price of land. Ms. Shelley indicated there may be a danger in concluding that any savings in land value could be passed onto people acquiring property and she believed it should be determined if there was another option to use to attract developers and have them provide other kinds of amenities. Ms. Blomquist expressed the belief that the land is not sold at fair-market values and such benefits should be passed on by developers to the public. Mr. Hamilton reiterated that the Agency could not write down land values. Mr. Glickman concurred indicating his understanding that the property was being sold at fair-market value according to the appraisals but he believed that conditions can be attached to the sale which achieves an overall benefit.

Mrs. Rogers inquired about preferential offerings for community developers and Mr. Hamilton responded that staff was also concerned about such developers and a subsequent offering would address this need.

MOTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 52-80 BE HELD OVER FOR TWO WEEKS.

FW BUSINESS (continued)

- (d) Resolution No. 53-80 granting a second extension of exclusive negotiations with Solid Rock Missionary Baptist Church for Parcel 779-C, north side of Fulton between Steiner and Fillmore Streets, Western Addition Approved Redevelopment Project Area A-2.

It is recommended that the exclusive negotiations with the Solid Rock Missionary Baptist Church be extended to May 20, 1980, or approximately 90 days, for development of 22 units of Section 8 family housing. The church has applied to HUD for preapproval of these Section 8 units and HUD has recently indicated to the City that as a result of concerns about impactation it was rejecting the church's application. Staff believes that discussions with HUD may influence it to reverse its position on this particular development and recommends an extension to try and resolve this issue. Mr. Hamilton indicated he had had discussions with the Mayor and Secretary Moe Landrieu of HUD regarding this matter, and there may be a way to resolve this issue. Mr. Hamilton indicated that the 90-day extension was needed to pursue this matter.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 53-80 BE ADOPTED.

- (e) Resolution No. 54-80 authorizing the invitation of proposals and negotiations of a management services contract.

Authorization is requested to invite proposals and to negotiate a contract for professional services to provide the Agency with a program of planning, budgeting, and performance reporting system which will improve the capacity of staff to monitor the Agency's work program. The City has recently worked with consultants to design and implement a management information and reporting system for all of its departments. The project (Financial Information and Resource Management) "FIRM" is now being implemented. Since the Agency has not modified its management systems from those based on the original HUD administered categorical funding program requirements, it now appears to be timely to evaluate the present systems and implement methods more directly related to the Community Development program requirements and the city's new FIRM system. Mr. Hamilton recommended that proposals be sought for consultants who have the capacity to provide such management services. The contract will be brought back to the Commissioners for their approval.

At this point, Mr. Glickman left the meeting at 6:55 p.m.

Ms. Blomquist indicated her lack of confidence in management consultants and in response to her inquiry, Mr. Hamilton indicated that staff was continually evaluating its management and decision-making methods; however, it was good management practice to have systems looked at by independent professionals.

Ms. Berk believed staff had the ability to do this evaluation, and Mr. Hamilton explained that any methods to accelerate the Agency's work program would be well worth the consultant's fee estimated at \$10,000 to \$20,000. The Agency needs outside professionals to perform this study because it is difficult to carry out objectively by staff. Ms. Shelley agreed that it would be unrealistic to ask staff to examine its program and she believed it was money well spent to pay for a professional recommendation about the process within the organization.

NEW BUSINESS (continued)

Ms. Berk requested that staff provide an evaluation of the benefit the consultant's work would provide the Agency. Mr. Hamilton indicated this could be done and commented that although staff was good there was always room for improvement. President Wexler inquired about the difference between this program and the procedures audit and Mr. Hamilton explained that this was a system for developing a work program which could be quantitatively measured rather than a review of existing procedures used in carrying out the program. President Wexler asked if the consultant would analyze individual performance, whether the staff was properly allocated in accordance with the work program, and also whether a different physical location or equipment would be necessary. Mr. Hamilton replied that it would primarily concern resource allocation. He indicated that people were working hard but not necessarily effectively.

Mr. Peter Gorman of the Mayor's staff indicated that the Mayor's Office and the Board of Supervisors had decided that several years ago they were receiving insufficient information on the allocation of resources and they requested that an outside consultant come in and develop a financial management package that was consistent with the City's budget requirements with the flexibility to give line item and program information. His job was to work with the various City Departments and help them develop a program structured according to the program budget. Six City departments were already converted and six more are to be converted by July 1, 1980, so that by then two-thirds of the City's ad valorem reports to the Mayor's Office on program information will have been completed. Program budgeting is orienting information and presenting it to managers not only by line item but also with unit costs and provides a measure of staff performance. He indicated he had worked with the San Francisco Port Commission dealing with the administration of invested funds and had increased their returns from 5 to 10 percent thus providing a higher yield, as an example of the savings that could be realized. It is a challenge to management to look at their proficiencies and the aim is to have measurable objectives. Mr. Gorman indicated the Agency's staff had inquired into the system and had asked if there were sufficient resources available to assist the Agency in developing such a work program and he suggested using a consultant because neither the Agency nor the Mayor's office has the capacity to develop the program. He had suggested that the Agency seek a consultant familiar with the City's program so the work program would be consistent with the City. Mr. Gorman indicated that although he would like to help he could not spare the staff at this time. Ms. Blomquist indicated that the Agency was on a project-type basis and was not a service organization. She believed that consultants were not creative and in her opinion \$20,000 was too much to pay for something that staff could do on its own. Mr. Gorman indicated that staff had expressed the need for a work program to set goals which would provide managers with the ability to manage the Agency's projects more effectively. It would represent a disciplined approach and each facet and goal would be studied from a short-term and long-term basis to accomplish what was needed.

President Wexler indicated that because of the Community Development funding process the Agency essentially set objectives every year. He believed that the Agency could be looked at as an example for other City Departments to follow. He also indicated that the Agency has the City Budget Analyst Federal audits and Harvey Rose's procedural checks continuously. He inquired when Mr. Gorman's

staff would have staff available to do such an analysis and Mr. Gorman responded it would be some time because there are still 49 more City Departments to complete.

Ms. Berk indicated her appreciation of the City's adoption of the performance budget process because this represented a significant informational tool for citizens, however, she believed staff could do this work. Ms. Shelley believed that an internal way was needed to be found to get the work program developed or else an outside consultant should be obtained. President Wexler inquired what conversion the Agency would need to make to conform with the City Program, and Mr. Gorman replied that a work program would be developed similar to that of the City's reporting and budgeting system which would provide an evaluation of both work and program managers.

Ms. Blomquist indicated that the idea of a standard budget format was excellent and she believed the staff could follow the City's format. Mr. Gorman indicated that a procedures brochure had been developed by the Mayor's staff and in response to Ms. Blomquist's request he said he would provide her with a copy. Ms. Shelley indicated that what appeared to be requested was a contract for professional services for the development and implementation of a program planning, budgeting, performance, and reporting system to improve the capability of staff and to more effectively manage the Agency's work program. She did not believe this should be confused with a budgeting process. In response to her inquiry, Mr. Hamilton indicated that the Agency's entire work program is not always reflected in the budget and since staff is involved in a broad scope of responsibility it believes that there is a need for an improved performance reporting system which would encompass the Agency's entire program.

ADOPTION: IT WAS MOVED BY MS. SHELLEY AND SECONDED BY MS. BERK THAT RESOLUTION NO. 54-80 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

Ms. Blomquist indicated that she did not believe that the proposed contract was a necessary expenditure and objected to the use of public funds for this purpose.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (f) Consideration of awarding a contract to Johnson and Higgins for the Agency's automobile fleet insurance coverage.

This concerns award of the insurance coverage for the Agency's automobile fleet for one year to Johnson and Higgins on the basis of the lowest premium quoted among four responding brokers. The Agency has had satisfactory experience with this broker and based on this experience and the lower premium proposed, it is recommended that coverage be awarded to Johnson and Higgins for a premium of \$22,500.

NEW BUSINESS (continued)

In response to President Wexler's inquiry, Mrs. Jane P. Hale, Assistant Executive Director for Finance and Administration, indicated that all four bids were for the same coverage. President Wexler inquired about the method for obtaining insurance bids and Mrs. Hale responded bids were requested by the close of business on a certain day and opened at the specified time. If any were received routinely in the mail and inadvertently opened, the bid is not revealed until the closing time. President Wexler believed that there be some procedure which the Agency as a public entity adhered to with a public bid opening process. He inquired if there was any problem in adopting a process similar to that of site improvement contract bids which requires submittal and opening at a certain time. Mrs. Hale responded that this could be done. Also the Agency could request that the envelopes be marked clearly that they contained bids.

MOTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT THE CONTRACT FOR THE AGENCY'S AUTOMOBILE FLEET INSURANCE BE AWARDED TO THE FIRM OF JOHNSON AND HIGGINS.

- (g) Resolution No. 55-80 authorizing application for State Disability Insurance coverage. Authorization is requested to reapply for State Disability Insurance because a change in the State law in 1977 in effect cancelled coverage for public employers, such as the Agency. As a result of an oversight by the Employment Development Department, the Agency was never notified of that change and SDI has continued to provide sick leave payments for nonjob-related illnesses and injuries for the Agency staff, even though technically cancelled, which was January 1, 1978.

In response to President Wexler's inquiry Mr. James Nybakken, Personnel Officer, indicated that the form requires the President's signature on the reapplication for the coverage. Ms. Blomquist asked if these were duplicative benefits and Mrs. Hale responded negatively indicating that an employee can choose to use sick leave but normally the leave is integrated with the disability coverage. Ms. Berk inquired if only public agencies were on an elective basis, and she responded affirmatively.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 56-80 BE ADOPTED.

- (i) Resolution No. 57-80 approving the Request for Qualification (RFQ), Mixed-Use Development Program, Market Street to Folsom between Third and Fourth Streets, Yerba Buena Center.

MOTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 57-80 BE CONTINUED UNTIL FEBRUARY 26, 1980

President Wexler inquired when this matter should be calendared, and Mr. Hamilton replied this was yet to be determined.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:50 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

SE
RES
#4

2/26/80

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
26TH DAY OF FEBRUARY 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 26th day of February 1980, the place, hour and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Howard M. Wexler, President
- Parree Porter, Vice President
- Charlotte Berk
- Dian Blomquist
- Rubin Glickman
- Melvin D. Lee

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and the following were absent:

Joan-Marie Shelley

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Honorable Dianne Feinstein, Mayor of the City and County of San Francisco; Hadley Roff, Deputy Mayor; Roger Boas, Chief Administrative Officer; John Igge, Office of the Chief Administrative Officer; Mel Wax, Office of the Mayor; Arnold Townsend, Mary Rogers, James Powell, Eugene Williams, Dexter Woods, John Bowman, and Essie Collins, Western Addition Project Area Committee (WAPAC); Richard Gryziec, Yerba Buena Gardens; Maria Portillo Galatti, Friends of Tivoli Gardens; Susan Bierman, Department of City Planning; Terry Comerford, Blyth, Eastman, Paine, and Webber; Mario Ciampi, Mario Ciampi and Associates; Thomas Callinan, Pacific Union Development Company; Alvin Norman, Bayview-Hunters Point Joint Housing Committee; Alberta Jackson, Carmen Johnson, and Al Hicks, Marcus Garvey and Martin Luther King Squares; Clifton Jeffers and Joe Skiffer, Jr., Vanguard Developers; and Charles Krause, Eddie Griffin, Maurice James, Benjamin James, Henry Lee, and Doris Nicol, interested citizens.

Representing the press were Jerry Adams, San Francisco Examiner; Marshall Kilduff, San Francisco Chronicle; and Mike Mewhinney, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Ms. Blomquist, and unanimously carried that the minutes of the Regular Meeting of January 8, 1980 and February 13, 1980, as distributed by mail to the Commissioners, be approved.

UNFINISHED BUSINESS

- (a) Resolution No. 25-80 authorizing the Executive Director contract with the Western Addition Project Area Committee as the Project Area Committee for the Western Addition Area A-2

UNFINISHED BUSINESS (continued)

Authorization is requested to contract with the Western Addition Project Area Committee (WAPAC) for continuation of citizen participation services for the Community Development year, March 1, 1980 through January 31, 1981, for an amount not to exceed \$108,603.77. This contract will enable WAPAC to continue its role in affirmative action monitoring; developer review and recommendations, participation in offering planning, working on mechanisms for funding rehabilitation and new construction, and also participation on the Marks-Foran Loan Committee. WAPAC has agreed upon the recommended budget, however, it has requested additional funds for three items which would add \$20,000 to the contract. Staff believes that these additions may be justified and will subsequently recommend your action on them. These include addition of an Assistant Affirmative Action Specialist, an allowance for temporary clerical help, and an amount to pay for the services of an election supervisor. WAPAC has also requested that they receive a three-months' funding advance rather than the two months' now permitted; that the Agency be removed as co-signer on WAPAC checks; and finally, WAPAC objects to a new contract language pertaining to conflicts of interest. Mr. Hamilton indicated that the two-months' advance system appears to be working well and provides a reasonable period for WAPAC to submit its billings; in regards to co-signing of checks it has been found to be an Agency essential review of WAPAC accounting. Both of these provisions were recommended initially by the Department of Housing and Urban Development (HUD) and staff does not have the authority to delete them even if it wished to do so. The Agency's legal division advises that the conflict of interest section must be included in the contract and staff has furnished WAPAC with a legal opinion to the effect that the language does not prohibit WAPAC officers, directors, or employees from acquiring property or interests in the project, but only prohibits action on such matters as would conflict with WAPAC's ability to perform the services specified in the agreement. Staff recommends approval of the \$108,603 contract in its present form. Mr. Hamilton again noted that staff would return to the Commissioners with a recommendation on the additional \$20,000 requested by WAPAC. Mr. Hamilton indicated that he had received letters of support for a favorable action upon this recommendation from Clifton Jeffers of the Vanguard Developers; Benjamin James, attorney; Jeffrey Ken Mori, Director of the Japanese Community Youth Council; Alone Jackson, President of the Bethel Housing Corporation; and Reverend A. R. Robinson, Pastor of Solid Rock Missionary Baptist Church.

Mrs. Mary Rogers, Chairperson of WAPAC, expressed her concern regarding the conflict of interest language because she believed it would cause problems about acquiring property. She asked that the language be modified and Mr. Hamilton responded that the provision is included because legal counsel advises that it must be and he reiterated that it would not prohibit WAPAC officers and employees from acquiring interest in land or buildings in the project area. Agency General Counsel Leo E. Borregard indicated that the provision is specifically stated in the California law and it does not prohibit officers of WAPAC or its employees from

UNFINISHED BUSINESS (continued)

acquiring property in the area but only required that the officers refrain from participating in a decision of WAPAC on any matter which affects property in which they might have an interest.

President Wexler indicated that Mrs. Rogers was questioning whether there was anything in the conflict of interest language that would prevent WAPAC members from owning property and if not, whether the contract language could specify that intent. Mr. Oster, Agency Senior Attorney, responded that this language was required by HUD in all contracts and staff could provide clarifying language that this meant ownership interest would not be prohibited. He suggested adding a statement that "It is not the intent of this paragraph to unreasonably impede the statutory requirement that maximum opportunity be provided for employment or participation by residents of the area. A WAPAC Board member or officer or employee shall not vote on or participate in discussions of any matter before the Board in which he has an interest." President Wexler and Mr. Oster discussed this proposal and President Wexler suggested that staff provide WAPAC with a memorandum to elaborate on the effect of the conflict of interest language and Mr. Borregard agreed this could be done. Mrs. Rogers protested the need for this language since WAPAC is an advisory body and does not make policy.

Mr. Anold Townsend, Executive Director of WAPAC, expressed concern that people who would run for the WAPAC Board would change their minds because of this restriction. He was also concerned that Board members may resign in order to protect themselves. He believed that people should not be prevented from owning property and if there is a conflict the members would not vote; however, the Agency wants citizen participation and it is important that the language in the contract be made clear. Mrs. Essie Collins and Messrs. James Powell and Maurice James of WAPAC also expressed the belief that the conflict of interest offending language should be taken out of the contract.

Mr. Charles Krause indicated that the conflict of interest statement prevented log-rolling or back-scratching agreements.

Mr. Borregard indicated that this language has nothing to do with present or future ownership in the community. It means that if an ownership issue is being considered by the Agency involving a member's property then that member should step back and not participate.

Mr. Porter indicated that WAPAC was a community organization and language regarding conflicts did not preclude participation by its members and he believed the language clearly indicated this intent. Ms. Blomquist had previously requested a breakdown of last year's WAPAC administrative costs and she commented that the 1978-79 costs and budget projections did not agree. She inquired if this is because two items were derived from

UNFINISHED BUSINESS (continued)

different sources. Mrs. Jane P. Hale, Assistant Executive Director for Finance and Administration, indicated that the figures were difficult to reconcile and staff is in the process of putting this information on the computer so it can be printed out on a line basis and be compared monthly.

Ms. Blomquist also indicated she had received a letter from Mr. Bruce McNair, President of the Alamo Square Association, dated February 18, 1980, which stated that his organization generally supported the concept of a citizens organization but did not believe that WAPAC as presently constituted was representative of the total Western Addition population. Also Mr. McNair alleged that WAPAC was nonresponsible and even hostile to other segments of the community and urged that WAPAC be required to broaden its membership both as to ethnic and economic makeup before a new contract is authorized. Ms. Blomquist asked Mrs. Rogers if WAPAC had special seats for each of the organizations in the Western Addition A-2 area, and Mrs. Rogers indicated that WAPAC had seats at large since it was made up of residents and community organizations in the A-2 area, which does not include Alamo Square. The Board seats are open and people can run for these if they wish to do so. In response to Ms. Blomquist's inquiry Mrs. Rogers responded that WAPAC had tried having specific seats for organizations but this had not worked because it was difficult to obtain a quorum to take care of business. Mrs. Rogers also stressed that the meetings are open and she could not force people to attend.

Dr. Porter expressed the belief that there was opportunity for broader participation than actually occurred. It appeared some of the organizations such as Alamo Square could designate a person to attend the meetings and bring back information to the organization. In that way concerns of people who do not attend could be addressed and there was an opportunity for greater participation. These people could also be informed of the annual election process. The letter expressed grave concerns that the Alamo Square Association had attempted to become members but had been refused or rejected. President Wexler indicated that it was important that WAPAC be encouraged and yet that everything possible be done to see that everyone who is in the area has full knowledge of the opportunities available to participate in the program. He inquired if this were the only letter received in regard to not funding WAPAC, and Mr. Hamilton answered in the affirmative. President Wexler thanked WAPAC for sending its minutes to the Commissioners and suggested that it would be appropriate if minutes detailed the names of the persons who voted for or against the various motions. Mrs. Rogers responded that she would provide the Commissioners with the tally of the vote but would not include names. In response to Mrs. Rogers comment President Wexler responded that he raised the question because the motion says only that it carried and did not indicate whether it was unanimously or by what total vote.

UNFINISHED BUSINESS (continued)

Discussion followed and Mrs. Rogers noted that in the future the votes would be recorded to show numbers but not by name.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BLUMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 25-80 BE ADOPTED.

- (b) Consideration of authorizing an agreement with Blyth, Eastman, Paine, Webber, Inc. for investment banking services regarding the SB-99 program, Western Addition Approved Redevelopment Project Area A-2.

As indicated at the Agency meeting of February 19, 1980, the Federal legislation known as the Ullman Bill has inhibited the Agency from proceeding with the use of the SB-99 funding program for its developers. It now appears that a Congressional committee has issued a report which may allow certain developments to be eligible for SB-99 financing. At last week's meeting the Commissioners approved the concept of proceeding with the elements necessary to be able to use the SB-99 financing. The use of the investment banking services of the firm of Blyth, Eastman, Paine, Webber, Inc. was recommended to proceed expeditiously with the sale of the bonds. The contract for their services will be brought before the Commission for consideration. During that discussion, the Commissioners asked for additional information on the firms interviewed and the basis for recommendation of this firm. That material has been provided and it indicates that of the six firms interviewed Blyth, Eastman, Paine, Webber, Inc., is the largest municipal financing underwriter in the country, has had significant experience in this type of financing, also has a capital base of more than \$230 million, and is highly respected by other underwriters, the rating services, and the financing community, and is headquartered in San Francisco. Staff believes that this firm can best serve the Agency. It is recommended that the Commission authorize staff to proceed to negotiate an investment banking agreement with Blyth, Eastman, Paine, Webber, Inc.

MOTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT STAFF BE AUTHORIZED TO NEGOTIATE AN AGREEMENT FOR INVESTMENT BANKING SERVICES FOR THE SB-99 PROGRAM WITH THE FIRM OF BLYTH, EASTMAN, PAINE, WEBBER, INC., WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2.

President Wexler indicated he looked forward to working with the firm.

President Wexler acknowledged the presence of the Honorable Dianne Feinstein, Mayor of the City and County of San Francisco; Honorable Roger Boas, Chief Administrative Officer of the City; Hadley Roff, Deputy Mayor; and Mel Wax, the Mayor's Press Secretary; and welcomed them to the meeting.

NEW BUSINESS

- (a) Consideration of authorizing the Executive Director to accept a proposal of the Richard N. Goldman and Company for insurance coverage on seven Agency buildings, Western Addition Approved Redevelopment Area A-2.

It is recommended that the proposal of the Richard N. Goldman and Company be accepted to insure seven of the Agency-owned buildings in Western Addition presently valued at \$465,500. Upon appropriate solicitation the Agency received four proposals for this insurance and Mr. Hamilton indicated his recommendation was based on the low quote of \$2,407 provided by Mr. Goldman for insurance against fire, vandalism, and malicious mischief on these buildings.

Mrs. Rogers indicated that she was aware that several community groups had bid on this insurance and asked about the ethnic makeup of this firm. Mr. Earl Mills, Deputy Executive Director for Community Services, responded that the firm had a work force of 34 persons and the breakdown was 22 women and 12 men. Of the men, 10 were white, one Chinese, and one black, and there were 14 white women, two Chinese, 2 black, 3 Filipinos, and one Spanish surnamed person.

Mr. Lee inquired if there were any status reports regarding the loss experience last year and Mrs. Hale responded that there were none on these buildings; however, this information is available and would be provided. Mr. Lee indicated his concern about the difference in amounts being deducted ranging between \$1,000 to \$5,000. Mrs. Hale indicated that \$5,000 was chosen because the difference was so small and the loss experience was good.

MOTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT THE PROPOSAL OF THE RICHARD N. GOLDMAN AND COMPANY FOR INSURANCE COVERAGE ON SEVEN AGENCY-OWNED BUILDINGS BE ACCEPTED, WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2.

President Wexler announced that the meeting would be recessed for two minutes. The meeting recessed at 5:45 p.m.

The meeting reconvened at 5:48 p.m.

- (b) Resolution No. 57-80 approving the Request for Qualifications, Mixed-Use Development Program, Market to Folsom between Third and Fourth Streets, Yerba Buena Center Approved Redevelopment Project Area.

Mr. Hamilton expressed his pleasure at the presence of the Mayor and Chief Administrative Officer and indicated that he had presided over many marriages and many less auspicious occasions as a minister but he had the feeling that he was officiating at his first major birth today. The possibilities that may arise from the Request for Qualifications (RFQ) are boundless and he believed that in a few years from now the three blocks atop and adjoining the George R. Moscone Convention Center will be the place to go, and enjoy in San Francisco. Mr. Hamilton indicated

NEW BUSINESS (continued)

that the development may include a Smithsonian West, a DeYoung Downtown, or even a cartoonists' museum, since more of the nation's leading cartoonists have resided in the Bay Area than anywhere else in the world, including Charles Schulz, Hank Ketcham, Morrie Turner and Gus Arriola. There may, even be a space to house San Francisco's special history.

Mr. Hamilton believed that with a little bit of luck and hard work in a few years this area will be a place to enjoy a myriad of pleasurable activities--broad fun, the lively arts, culture--night and day, throughout the year. He believed that if that happens the Agency may be in the special debt of one individual and that person is Mr. Richard Gryziec, who is the idea man behind the gardens and whose words Mr. Hamilton had just quoted. Mr. Hamilton indicated that Mr. Gryziec has been the most dedicated, relentless, persistent, and single-purpose person he had ever known. Mr. Hamilton requested Ms. Judith Hopkinson, Director of Development, to give a brief summary of the RFQ and its process.

Ms. Hopkinson indicated on a map the three blocks which are the subject of the RFQ, which includes a hotel of 800 to 1,500 rooms, housing, retail, recreation, and office uses. She noted the location of the church, Jessie Street Substation, the Mercantile Building, and the hotel being developed by Arcon/Pacific Ltd. In Central Blocks 2 and 3 there will be retail, entertainment, amusement, and cultural uses within an urban gardens setting. The retail space permitted will consist of 70,000 square feet, the entertainment from 60,000 to 75,000 square feet, amusement from 120,000 to 150,000 square feet, and cultural space is planned for 50,000 square feet.

Ms. Hopkinson indicated that the RFQ process was a two-step one and the Agency will be inviting and selecting a qualified developer to undertake construction of the program. As part of the selection process the developer will provide a \$250,000 fee for the right to negotiate with the Agency for 180 days, which fee will be returned to the developer only upon completion of a satisfactory program acceptable to the Agency at the time it approves the disposition agreement. It is possible preselection of a limited number of developers can be made in early June and in late June staff anticipates making presentations to the Commission. In early July, selection of a master developer will be made and exclusive negotiations will be started. Then from July to December exclusive negotiations will be occurring, and in January 1981 it is anticipated that the Land Disposition Agreement (LDA) between the Agency and the developer can be executed. During the negotiating period, the developer will explore the economic feasibility and prepare detailed program for the three parcels including basic concept drawings, an implementation program, including scheduling and phasing as well as negotiating the terms of the LDA between the Agency and developer. The construction period will commence 18 months after that.

NEW BUSINESS (continued)

Mr. Hamilton indicated that this program represented a good deal of hard work by a number of people including the Chief Administrative Officer, the Mayor, and representatives of various staffs and he was pleased to have reached this point, with everyone in agreement.

President Wexler welcomed the Mayor, Chief Administrative Officer, Deputy Mayor, and other citizens on behalf of the Commissioners. He indicated that today's meeting was the result of a great deal of effort and cooperation with the Mayor and members of the Mayor's Select Committee on Yerba Buena Center which came up with a plan to produce a unique urban gardens development to attract people from all over. He indicated that the Agency was ready to go forward with this joint effort and he invited Mayor Feinstein for comments.

Mayor Feinstein indicated that she had been invited by the Commissioners to attend the meeting and present her views on the Yerba Buena Center program. She indicated she welcomed the opportunity to present her recommendation that the Agency adopt the Request for Qualifications proposal. She noted that as a member of the Select Committee on Yerba Buena Center, she had participated in the dozens of public hearings and the lengthy discussions throughout the city and this effort led to agreement on the George R. Moscone Convention Center proposal that was approved overwhelmingly by the voters. A key factor in obtaining public support for the Convention Center was the promise that there would be a good-faith effort to develop an urban gardens. The Select Committee had recommended that an exhibit hall be constructed with strong preference given to an underground facility with the urban gardens above and that the Agency obtain an appropriately qualified developer for the development on the surface of the Central Blocks. As a member of that Select Committee and as Mayor of San Francisco, she believed there was an obligation to pursue that good-faith effort which had been studied and appeared to make economic sense.

The Mayor indicated that some of the nation's finest and sensitive developers have already expressed a serious interest in the development. There was a third reason why she endorsed this good-faith effort and that was that it has taken a full dozen years at enormous public expense and agony to prepare these 18 acres for development. However, the land between Third, Fourth, Market, and Folsom Streets is now cleared and available for a magnificent opportunity. Mayor Feinstein indicated that to place something of public benefit of such style, imagination, and dignity in the heart of an international city which the world may someday attend, admire, and applaud was an opportunity that a city seldom had in providing major and creative breathing room in the midst of its downtown. She declared that now the city had this and she believed everyone should give it their best shot.

NEW BUSINESS (continued)

Mayor Feinstein indicated that it was not yet known exactly what the gardens could or should be but she assured everyone that it would not be another transplanted "Playland at the Beach" nor another amusement park. She indicated her awareness that there was some opposition to the idea and noted that she had some concerns herself, one of which was that a new community of senior citizens had been created in Yerba Buena Center and she did not wish their well-being threatened or compromised in any way by the development in these blocks. She also noted that Mr. Roger Boas has expressed his concern about the area being supportive of the Convention Center. She urged that the development contribute to the economic vitality and quality of life in that area. Mayor Feinstein commented that some developers believed that the city tends to take too long in considering development but this was no ordinary city and people care about what is done; therefore, whatever is done must be done with great care. To be acceptable, the proposal for the gardens will have to be of the same quality as the Panama-Pacific International Exposition and its Palace of Fine Arts, or the Golden Gate Park with its splendid museums, otherwise it will be rejected. She believed that this was owed to the dreamers and doers of the past and present to take the risk and give the gardens concept a fair chance. She recommended approval of the Request for Qualifications.

President Wexler thanked Mayor Feinstein for her comments and he asked Chief Administrative Officer Roger Boas for his comments.

Mr. Boas indicated he had been involved with Yerba Buena Center for the past two years and was the responsible City official by action of the Board of Supervisors for the Convention Center. An agreement exists between the Agency and his office to work together on the development and which gives him a veto over a RFQ. He indicated he had had serious concerns about the proposed program which he had expressed at the Agency meeting of December 18, 1979. He was concerned about the viability of the proposed use area and the effect of these uses on the convention center. He summarized his concerns as follows:

- (1) the urban gardens uses would not bring families into this area;
- (2) children's amusement facilities will not work in this area and the project would fail;
- (3) a developer may promise to do the gardens park and not follow through in developing Central Blocks 2 and 3 after building the hotel and office buildings;
- (4) the hotel should be close to the convention center and he was concerned that the impression of a barrier will be created making it difficult to get to the convention center;
- (5) there is a security problem;
- (6) there is no market-rate housing in Central Block 2; and
- (7) the urban gardens will not generate sufficient revenues for the City.

NEW BUSINESS (continued)

He indicated that there is a commitment to give the urban gardens a chance and he believed there is an obligation to pursue this good faith effort and he did not wish to thwart that effort and would not express any veto but would support the Mayor and endorse this program. He noted that Mayor Feinstein had indicated there was a need to develop a feasible plan and otherwise the project should be rejected. He agreed completely that to be acceptable the gardens would have to be of the same quality as the Panama-Pacific International Exposition. Mr. Boas indicated that at the end of the eight months' selection and negotiation period a valid plan did not exist then everyone would start all over again. He anticipated working cooperatively with the Agency staff and to move forward in obtaining the best development for the area. Ms. Blomquist noted that there were changes made to the RFQ in which the range of office use shown in the RFQ of 250,000 to 800,000 square feet is to be changed to 0 to 500,000 square feet on page 1 and on Table 2. Also, housing is not part of the desired program for Blocks 2 and 3, however this use would be allowed if the developer establishes the necessity which results in changing Table 2 to read as follows: "Parcels 2 and 3 desired development program would be changed from 0 to "at developer discretion". A footnote should be added for this item stating: "must be provided in a manner compatible with the recreation/entertainment uses that include nighttime and weekend activities on Parcels 2 and 3."

President Wexler indicated that the resolution allows the RFQ to be "substantially in the form" before the Commissioners today but noted that there are some emphasis and changes that staff is still working on including clarification that the city intends to provide a development that will be unique to San Francisco and which will appeal primarily to San Franciscans. He concurred in the change which limits the amount of office space in Central Block 1 and indicated that the wording should also be clear that the Agency is encouraging the developer to propose a mixture of uses in the buildings. When retail, office, and housing are referred to, these do not have to all be in separate compartmental units, but should be mixed. Also in Parcel 4, staff has been pursuing market-rate housing on Third Street between Mission and Howard Streets and if the hotel cannot be provided on Central Block 1 it could be provided on Parcel 4 or an alternate site.

President Wexler believed that the most important aspect to this development was in Central Block 2, because Central Block 1 can be done by any developer but Central Block 2 is the heart of the gardens development. It needs more emphasis and clarity so every developer who comes in knows that it is the area the Agency will be looking at more closely than any other area. President Wexler also concurred with the Mayor and staff in recommending and urging an affirmative vote on the RFQ and to allow staff to refine certain wording.

NEW BUSINESS (continued)

Mr. Glickman concurred with the proposed changes in the RFQ and stressed his belief that the development must include nighttime and weekend activities. He suggested looking at these uses to be certain they are compatible with the urban gardens concept.

Mr. Lee also concurred in the proposed changes in the RFQ including the inclusion of housing if necessary on Central Blocks 2 and 3 if it is. President Wexler commented that there are some concerns about housing and he had assured some people that he would not vote to have any housing go on Central Block 2 that would detract from the ability to have nighttime and weekend activity uses on that block. A creative development can show how housing uses could be compatible with other uses but the developer has the option to pursue this use.

Ms. Berk also concurred with the RFQ and hoped that creative ideas would be elicited from developers.

ADOPTION: IT WAS MOVED BY MR. PORTER, AND SECONDED BY MR. GLICKMAN, THAT RESOLUTION NO. 57-80 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Porter
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

President Wexler indicated that although Ms. Shelley could not be present today, she would have joined in that vote. He thanked the interested citizens and indicated he looked forward to working cooperatively with them.

Mr. Richard Gryziec, Architect and Planner, indicated his pleasure in being present today to see his "sophisticated doodle", as the San Francisco Examiner termed it in 1976, grow and develop into this gardens project that is now on the crest of actual development. He recalled that his original proposal consisted of a "Tivoli Gardens" concept, or an 18-acre park in which there would be amusements, entertainment, and dining places,

NEW BUSINESS (continued)

which would emulate the Tivoli Gardens of Copenhagen in design, quality, enjoyment, public revenues, and jobs. In his original proposal there would be an underground convention center, retention and use of the Jessie Street substation, two offices in the Market Street block, TOOR elderly housing, apparel mart, and space for a sports arena. In the project now there would be a gardens, or large park in which there would be amusements, entertainment, dining places, and a market place, all of design quality, enjoyment, public revenues and job-intensive uses. There is now an underground convention center, retention and use of the Jessie Street substation, one office, two hotels and retail space in the Market Street block, TOOR elderly housing, and a gift mart. The program in the RFQ is not too different from the original proposal and most of the changes have been improvements.

In 1976 there were concerns that this development could not be done in San Francisco, that there would be no market for the proposed Tivoli uses, and there would be no developers interested in this project; however, Mr. Gryziec indicated he was confident that the city was the most likely place for such a project, and that with an appropriate mix of other uses, many qualified developers would be attracted. He urged that public officials not give away too much to attract developer interest and maintain high quality standards and inclusion of the local talent in the entertainment and amusement fields in the project. The Agency Commissioners, staff and consultants now have the responsibility of bringing in a developer and protecting public interest by obtaining the maximum first-rate quality development with an appropriate mix of uses, as well as excellence in architectural, landscaping, and lighting design. He expressed his appreciation to those who had brought the gardens to this point and he hoped it would create a fine and appealing landmark for the City. President Wexler thanked Mr. Gryziec for his comments and efforts which have been a great help in this project.

President Wexler announced that the meeting would be recessed to an executive session after which the meeting would be reconvened in the fourth floor conference room for the workshop. He suggested that the workshop not convene until 7 p.m.

The meeting recessed at 6:20 p.m.

The meeting reconvened at 7:30 p.m. in the fourth floor conference room with the same roll call.

- (c) Workshop on finance and profit control techniques available to lower the cost of market-rate ownership housing, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that the Agency continues to be concerned about its ability to provide market-rate ownership housing at the lowest cost possible and as a result of these concerns this workshop has been calendared to discuss alternatives available for financing and profit control to provide such lower-cost market-rate ownership housing.

Minutes of a Regular Meeting, February 26, 1980

NEW BUSINESS (continued)

Mr. Glickman suggested that this item be considered by itself at a separate meeting. President Wexler concurred. Ms. Blomquist inquired if any disposition agreement would be held up, and President Wexler indicated the matter could be taken up at a meeting later this week. Messrs. Lee and Porter concurred.

MOTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT ITEM 9(c) BE CONTINUED TO AN ADJOURNED REGULAR MEETING ON FEBRUARY 28, 1980 AT 3:30 P.M. IN THE FOURTH FLOOR CONFERENCE ROOM AT 939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned to an adjourned regular meeting on February 28, 1980 at 3:30 p.m. in the fourth floor conference room at 939 Ellis Street, San Francisco, California. The meeting adjourned at 7:35 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

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MINUTES OF AN ADJOURNED REGULAR MEETING
OF THE REDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF SAN FRANCISCO HELD ON THE
28TH DAY OF FEBRUARY 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in an adjourned regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 28th day of February 1980, the place, hour, and date duly established for the holding of such meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Parree Porter, Acting President
Charlotte Berk (joined the meeting at 4:05 p.m.)
Dian Blomquist
Rubin Glickman

The following were absent:

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Howard M. Wexler, President
Melvin D. Lee
Jean-Marie Shelley

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The Acting President declared that a quorum was present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Arnold Townsend, and Benny Stewart, Western Addition Project Area Committee (WAPAC); Tom Callinan, Pacific Union Development Company, Terry Comerford and Bruce Rothenberg, Blyth Eastman Paine & Webber; Opera Towers representatives Tom Callinan and Peter Applegate and Questor representatives Bill Ramsayer and Dave Feder.

IN BUSINESS

- (c) Workshop on finance and profit control techniques available to lower the cost of market-rate ownership housing, Western Addition A-2.

Executive Director Wilbur W. Hamilton indicated that the Agency staff has been evaluating information necessary to provide alternatives relating to financing and profit control techniques, which may result in a lower cost of market-rate housing. Ms. Judith Hopkinson, Development Director, recalled the Commissioners' concern with mechanisms which would lower housing costs and it appeared that two types of controls appear to be most feasible which are (1) a control which would restrict the sales price; and (2) allow the unit be sold at the market price and limit the developer's profits and any funds that accrued to the Agency could be used in reducing the price of other units.

In response to Mr. Porter's inquiry, Ms. Hopkinson noted that several of these techniques have been used in the state. Mr. Glickman inquired about the percentage of profit Ms. Hopkinson proposed as a limit and she indicated that the Agency had alternatives which included a requirement that the developers pay a fee based on the amount of mortgages taken down and suggested that this could be one percent loan fee, and or a 20 percent profit limit. She also indicated that when SB-99 bonds were sold, a percentage could be set aside and could be invested and the interest used to subsidize units.

At this time, Ms. Berk joined the meeting at 4:05 p.m., and the Acting President declared a quorum present.

In answer to Mr. Glickman's inquiry, Ms. Hopkinson expressed her belief that it would be workable to have the developers pay a loan fee to the Agency. Mr. Glickman expressed concern about the price paid by developers to the Agency which he believed constituted a subsidy and the benefits derived from use of SB-99 funds, and Ms. Hopkinson responded that the developer essentially benefitted from use of the SB-99. Mr. Hamilton asked William Ramsayer, Questor Associates, to discuss the resale of properties financed with SB-99 in the Santa Ana area. Mr. Ramsayer indicated that his firm had been involved in twelve transactions in the past two years, and that only Los Angeles had imposed a profit control on one of the SB-99 issues. The primary reason was that agencies found it difficult to monitor the controls and most agencies are pleased to get new housing without imposing controls on the profits. He indicated that the situation in San Francisco was different because of limited land to build on so he questioned whether the experience or policies of other areas were applicable to San Francisco. In other cities, agencies have negotiated a "set aside" of a certain number of units for families unable to participate in the units at market-rate costs. In one case, an agency experienced a problem as a result of imposing price limitations on the development and the developer backed out of the contract to provide units with SB-99 financing and proceed with conventional financing.

Mr. Porter inquired if there was a rule of thumb to determine the accuracy of the profit figures for developers' figures, and Mr. Ramsayer indicated that this could be done but that it is very difficult to administer. Mr. Glickman expressed concern that developers would reduce the quality of the units which would not make a significant difference. Mr. Glickman indicated that he felt the market in San Francisco was unique and because the land costs in this city are so high outside of redevelopment areas the profits can be high so it is important that the Agency carefully monitor and have the costs carefully certified. He was also concerned about control of resales and he asked about Mr. Ramsayer's experience on how other agencies controlled resale profits. Mr. Ramsayer concurred that this was difficult to administer and any policy the Agency implements should consider the best way to implement it. He believed the most effective way to impose such controls was to negotiate with developers for new subsidized housing construction. Mr. Glickman disagreed with this concept. He believed it was the Agency's responsibility to impose controls when it was providing the developers with assistance using public funds. He believed that the Agency should consider a system which gave the private developer the responsibility of producing housing that could be passed on at reasonable rates. Ms. Blomquist indicated her support for limiting the amount of profit that a developer can realize and expressed concern about developing methods that would effectively profit from resales. Mr. Porter recalled that a five-year restriction had been imposed by the Agency and Mr. Redmond Kernan, Deputy Executive Director, indicated that this had been done under the Sweat Equity Program for buildings that were sold below market.

Mr. Porter stressed his belief that there needed to be control over the sale of property when the Agency has provided the developer with a subsidy. Ms. Hopkinson indicated that it was difficult to determine the amount of savings realized by use of SB-99. She discussed the aspects which could benefit the developer and noted that these varied depending on interest rates and appraisal. Mr. Glickman indicated concern about controlling profits for some time after the property is sold. He inquired if any other agency or city had been able to work effectively this way.

Mr. Bruce Rothenberg, Blyth, Eastman, Paine and Webber, indicated that in his experience with one housing finance authority, which has put \$150 to \$300 million in mortgages a year into urban areas with income restrictions, that

BUSINESS (continued)

it was one of the most complicated processes that his firm had administered. It was also a very difficult problem for an agency to administer. He indicated that it had ultimately been concluded that these aspects could not be monitored. The problem is that there is a profit to be realized if the units are substantially below market whether it accrues to the developer of the first home buyer and unless there is a feasible means for the city to also take title, it may not be enforceable.

In response to Mr. Glickman's inquiry regarding the due-on-sale clause in the first mortgage, Mr. Borregard responded that there was a statute that now made such a clause legal. Mr. Glickman indicated that this would be difficult to monitor and Mr. Borregard concurred and indicated that the easiest way would be to put the Agency in the chain of title by the use of a second mortgage. Mr. Townsend indicated that this is being done with the Marks-Foran program. Mr. Terry Comerford of Blyth, Eastman, Dillon, and Webber indicated his concern about the effect of any program on bonds sales which is fundamental to the Agency's ability to raise money for market rate housing will generate a strong interest in the bond-rating agencies and the investment community. Mr. Comerford indicated that the concerns of these interests had to be evaluated carefully so that the bonds will be salable.

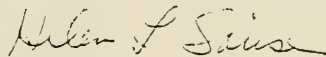
In response to an inquiry from Mrs. Mary Rogers, Chairperson, Western Addition Project Area Committee (WAPAC), Mr. Ramsayer introduced himself as a consultant for the Agency and representative of Questor. Mrs. Rogers indicated that Mr. Ramsayer was negative about controls and she was concerned that this not be allowed to happen. In response to Mrs. Rogers' inquiry, Ms. Hopkinson indicated that the money the Agency can get for SB-99 could be used for any kind of housing, as long as it was for public use, and if funds are not required for the mortgage, and that the Agency will be able to use these monies to provide additional housing opportunities.

Mr. Hamilton concurred noting that these funds could be used in the ways that the Commission deemed appropriate such as down payment assistance or to assist federally insured programs. Discussions followed on inclusionary zoning and other mechanisms that could be used to provide public benefit for developers using the Agency's assistance. Ms. Blomquist inquired if the discussion affected Offering 21, and Ms. Hopkinson indicated that the staff would recommend a profit limitation provision in the offering and Mr. Hamilton concurred. Ms. Hopkinson indicated that the SB-99 program for the three developments, Opera Plaza, Bushmoor, and Sapunar and Duerling, was tight and the process would be delayed if these provisions were included. She recommended that for those where a previous commitment exists, they should be explored on a case-by-case basis. Acting President Porter expressed his belief that staff was attempting to increase the amount of housing for the middle-income residents of the Western Addition and reaffirmed his understanding that these provisions would be brought before the Commission on March 18, 1980.

ADJOURNMENT

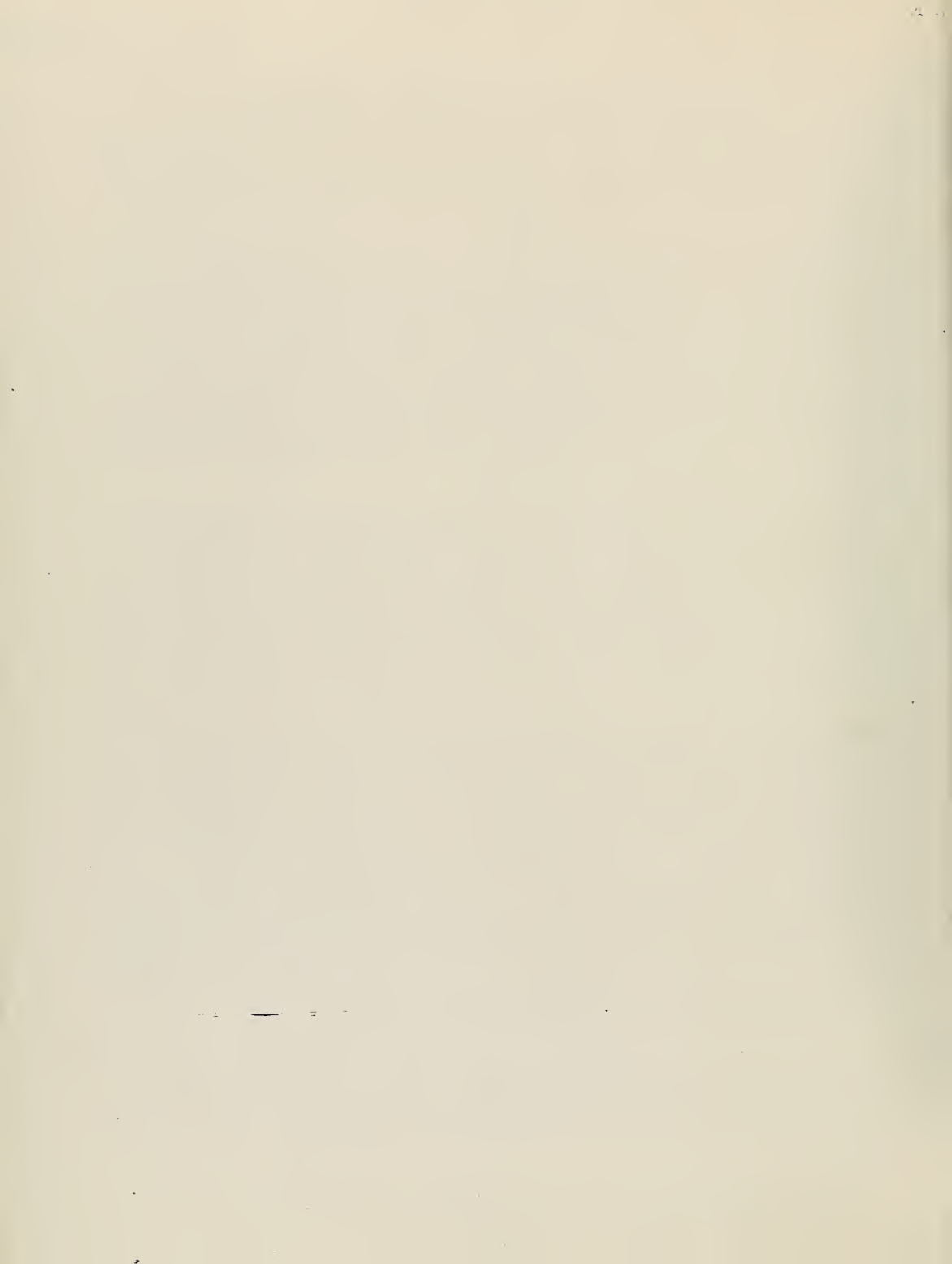
It was moved by Mr. Porter, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:30 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

Approved: July 1, 1980



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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
4TH DAY OF MARCH 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 4th day of March 1980, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Howard M. Wexler, President
- Parree Porter, Vice President
- Charlotte Berk
- Dian Blomquist
- Rubin Glickman
- Melvin D. Lee
- Joan-Marie Shelley

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and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, Essie Collins, Lisi Lord, Benny Stewart, and Dexter Woods, Western Addition Project Area Committee (WAPAC); Mary Jane Staymates, Robert Speer, P. Segall, Paul Denning, and Steven Richards, Western Addition Neighborhood Association (WANA); Dr. James Delameter, Beideman Area Neighborhood Group (BANG); Lavolia Baker, Tony Taylor, and Leola King, Victorian Square Association; Evert Heynneman, San Francisco Housing Authority; Peter Witmer, Alamo Square Association; Everett Roller, Fast Supply Company; Joseph Skiffer, Bushmoor Associates; and Charles Krause, William Hahn, Eve Magland, Robert Chang, Paul Lowery, and Henry Lee, interested citizens.

Representing the press was Jerry Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Glickman, seconded by Mr. Porter, and unanimously carried that the minutes of the Regular Meetings of January 8, 1980 and January 29, 1980, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matter:

- (a) Funding for the studies necessary to rehabilitate the 100 units Inchon Village program in the Hunters Point area was approved yesterday by the Board of Supervisors by a vote of 9 to 2, with Supervisors Harry Britt and John Bardis dissenting. This approval now makes it possible to obtain the \$493,000 necessary to take care of project planning finances by mid-June. Mr. Hamilton indicated he would keep the Commissioners advised of progress on this project.

NEW BUSINESS (continued)

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel K-3, corner of Galvez and Newhall Streets, to Everett James Roller, India Basin Industrial Park Approved Redevelopment Project Area.

Resolution No. 62-80 authorizing execution of an agreement for disposition of land for private development and other conveyance instruments in connection with the sale of Parcel K-3; approving the Disposition value and ratifying the publication of notice of public hearing, India Basin Industrial Park Approved Redevelopment Project Area.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel K-3, India Basin Industrial Park Approved Redevelopment Project Area.

This item concerns execution of conveyance documents for a 12,502-square-foot parcel located on the southeast corner of Galvez Avenue and Newhall Street in India Basin Industrial Park to Mr. Everett James Roller. Mr. Roller plans to relocate his business, Fast Supply Company, which rents, sells, and services janitorial supplies, to a 4,800-square-foot building on this site. Mr. Roller presently employs four persons and anticipates adding at least two more and has indicated his support for providing neighborhood employment opportunities. Staff recommends disposition of this parcel to Mr. Roller for the price of \$18,750. Evidence of financing will be provided on October 10, 1980, with commencement of construction on December 9, 1980, and completion of construction anticipated by September 5, 1981. The developer and staff hope that the project can be expedited and that this schedule can be shortened. The Bayview-Hunters Point Joint Housing Committee (JHC) has reviewed this proposal and has raised no objections.

There being no further persons wishing to appear in connection with the matter, the President declared the public hearing closed.

Mr. Hamilton noted that the principals were present and asked Mr. Hunter Johnson, Business Development Specialist, to introduce Mr. Roller. President Wexler asked Mr. Roller if he had had an opportunity to check on the financing of this structure in today's current money market, and Mr. Roller replied that he had bids out for construction and was waiting for the final bids to come in prior to completing his financing program. President Wexler inquired if any lending institutions had indicated interest, and Mr. Roller indicated that he had had financial discussions with the Wells Fargo Bank and also the San Francisco Chamber of Commerce for use of its Small Business Administration loan program.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 62-80 BE ADOPTED.

- (b) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 677-B, east side of Fillmore between Bush and Sutter Streets, to Bushmoor Associates, Western Addition Approved Redevelopment Project Area A-2.

Resolution No. 63-80 authorizing execution of an agreement for disposition of land for private development and other conveyance instruments in connection with the sale of Parcel 677-B; approving the disposition value and ratifying the

NEW BUSINESS (continued)

the publication of notice of public hearing, Western Addition Approved Redevelopment Project Area A-2.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer a conveyance of Parcel 677-B, Western Addition Approved Redevelopment Project Area A-2.

This concerns disposition of a 26,500-square-foot parcel for the development of 36 condominium units and 7,000 square feet of retail commercial space. At the time the developer was designated on October 2, 1979, concern was expressed about the proposed design. The developer has employed a new architect and worked with staff to redesign the development. Staff now approves of the proposed design. The Commissioners' approval of the Land Disposition Agreement (LDA) will be subject to a subsequent approval of a variance for both residential and commercial density, which is required to permit the number of units and commercial space proposed. This variance will be calendared at the March 18, 1980 meeting. In addition, the advertised LDA contained an error in the schedule, and it is recommended that the Commissioners approve the LDA with the following schedule substituted in place of the original one: for submission of final construction documents, August 1, 1980 will be substituted for the original date of June 1, 1980; for submission of evidence of financing, December 1, 1980 instead of September 1, 1980; for conveyance of site January 1, 1981 instead of October 1, 1980; for commencement of construction to February 1, 1981 from November 1, 1980; and for completion of construction April 1982 in place of January 1982. These are outside dates and the developer is hopeful of accelerating this schedule. The disposition price for this parcel is \$178,000. The Western Addition Project Area Committee (WAPAC) has reviewed this proposal and concurs with staff's recommendation. Ms. Judith Hopkinson, Director of Development, indicated that there were two additional changes to be made in the resolution; that an antispeculation clause be added and that at least four units will be offered at below market-rate interest using a second deed of trust with assistance from the developer on downpayments.

The developer, as part of his original proposal, indicated that up to 25 percent of the required down payment for the units would be provided and he is currently working out an arrangement with the Agency and SB-99 consultants to fulfill this agreement. He intends to set aside four units for sale to community minorities at cost under a second deed of trust arrangement for five years at one percent interest rate. The details of the program is being worked out with the consultant.

Mrs. Mary Rogers, Chairperson of WAPAC, expressed concerns about changes in the language of the land disposition agreement, and Mr. Hamilton responded that it was proposed that the LDA be approved now subject to the subsequent approval of the "set-aside" proposal is completed. This agreement would be reviewed with WAPAC. It will also be approved by the Commissioners prior to execution. Mrs. Rogers continued to express her concern about proposals to change the LDA and President Wexler explained the resolution authorizing execution of the LDA was being considered with certain conditional provisions in it that among other things confirmed the details of a set-aside program to

NEW BUSINESS (continued)

be entered into before the LDA becomes final. Mrs. Rogers believed that WAPAC should have been notified before any changes in language were made so that it could study these before action is taken. President Wexler noted that her point was well taken and indicated that the Commissioners had also just received the language which through inadvertence had not been included in the material presented prior to the meeting today. Mrs. Pauline Segall of the Western Addition Neighborhood Association (WANA) indicated that Mr. Joseph Skiffer of Bushmoor Associates had assured her that care would be taken that her building which was adjacent to the proposed development would not be damaged. She wanted this to be reflected on the public record. President Wexler responded that the only binding agreement would be one which Mr. Skiffer put in writing. Mr. Joseph Skiffer indicated that he would provide Mrs. Segall with such a statement and he would do everything necessary to protect her building, because as a result of some of the excavation there will be underpinning required and he would shore up her property to prevent any damage.

There being nor further persons wishing to appear in connection with the matter, the President declared the public hearing closed.

In response to Ms. Blomquist's inquiry, Ms. Hopkinson explained that what was proposed was that the approval of the LDA was conditional upon two future happenings. It was not an amendment to the LDA. The first is that there be satisfactory assurances about the antispeculation aspects and the second concerns a program for the sale of at least four units for which the developer would take second deed of trust at below market-rate interest. It is proposed that the second deed of trust be provided to local minority purchasers for a five-year period at one percent interest. This agreement will come back separately for the Commission to consider within the next two weeks.

President Wexler recalled that in October 1979 when the Agency entered into exclusive negotiating rights with Bushmoor Associates, a down payment assistance plan was proposed. He inquired about the proposed set-aside program and whether it was better than the program offered then. The property owners may want to consider having an agreement that is subject to a set-aside or other alternative program acceptable to the developer and Agency. This would provide time for it to be reviewed with WAPAC and the Commission. Such a review may take additional time since it is difficult to make an independent decision on the appropriate public largess that the developer will be offering without it being fully analyzed. He inquired if there were any legal problems in approving the LDA subject to the future approval of a program which is yet to be worked out. Mr. Borregard recommended that language would be included in the resolution which made approval of the LDA of no force and effect if a satisfactory program is not agreed to by the Commissioners. The LDA would be subject to certain conditions and if they were not met on or before March 26, 1980, by 5:00 p.m., then the LDA would be terminated. This would provide the Commission with specific control of the agreement.

In response to President Wexler's inquiry, Mr. Hamilton indicated that the language which is less definitive operates in everyone's interest. Ms. Blomquist inquired if the agreement would be calendared within two weeks, and Mr. Hamilton responded affirmatively.

NEW BUSINESS (continued)

MOTION: It was moved by Mr. Porter and seconded by Ms. Blomquist that Resolution No. 63-80 be adopted as modified by the addition of two sections "receipt by the Agency of satisfactory assurances regarding antispeculation mandated by HUD, and a set-aside subsidized program for sale of units to be developed with the Agency and approved by the Commission; and, if such approval is not given on or before March 26, 1980 by 5:00 p.m. the authorization for the Agreement for Disposition of Land shall terminate, and as of said date the Agreement for Disposition of Land shall be null and void."

Mr. Skiffer indicated that a year ago the interest rates were 8-1/2 to 10-1/2 percent but now the takeout loans are 14 to 15 percent and even the SB-99 program is at 10-1/2 to 11 percent. He noted that the purchase price can be significantly reduced by use of the second deed of trust at one percent. At the end of the five-year period then that loan is a direct reduction of principal by 3 percent and the interest is still one percent. This method will prevent speculation and give the buyers the advantage of the low interest rate on a reduced amount of loan. Mr. Skiffer indicated he wanted to do something for the community and the set-aside units may be ten percent of the total units.

President Wexler inquired if the March 26, 1980 date suggested by Mr. Borregard was acceptable to Mr. Skiffer. Mr. Skiffer agreed and indicated that he would proceed with the development based on good faith that the agreement could be worked out and he planned to break ground early in the spring. However, he was concerned that if the language could not be worked out within that three-week period then the LDA would terminate. President Wexler commented that it could take longer and the date extended if necessary. Mr. Borregard indicated that the date he had selected was a Wednesday following the Agency meeting of March 25, 1980, so that the Commissioners would have an opportunity to extend that date if they chose to do so. Mr. Skiffer indicated that was acceptable to him. President Wexler indicated that he wanted to give WAPAC an opportunity to work with staff, and Mr. Hamilton indicated this would be done and WAPAC given an opportunity to review the material.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 63-80 BE ADOPTED AS MODIFIED BY THE ADDITION OF TWO SECTIONS "RECEIPT BY THE AGENCY OF SATISFACTORY ASSURANCES REGARDING ANTISPECULATION MANDATED BY HUD, AND A SET-ASIDE SUBSIDIZED PROGRAM FOR SALE OF UNITS TO BE DEVELOPED WITH THE AGENCY AND APPROVED BY THE COMMISSION AND IF SUCH APPROVAL IS NOT GIVEN ON OR BEFORE MARCH 26, 1980 BY 5:00 P.M. THE AUTHORIZATION FOR THE AGREEMENT FOR DISPOSITION OF LAND SHALL TERMINATE AND AS OF SAID DATE THE AGREEMENT FOR DISPOSITION OF LAND SHALL BE NULL AND VOID."

- (c) Resolution No. 64-80 granting to Tony Taylor an extension of exclusive negotiating rights for Parcel 684-E (3), 1971-75 Sutter Street, Western Addition Approved Redevelopment Project Area A-2.

NEW BUSINESS (continued)

- (d) Resolution No. 65-80 granting to Dorothy Vaughn an extension of exclusive negotiating rights for Parcel 684-D (3), 1712-16 Fillmore Street, Western Addition Approved Redevelopment Project Area A-2.
- (e) Resolution No. 66-80 granting to Bryant Brinkley an extension of exclusive negotiating rights for Parcel 684-D (3), 1718-22 Fillmore Street, Western Addition Approved Redevelopment Project Area A-2.
- (f) Resolution No. 67-80 granting to Charles and Lynn Blagburn an extension of exclusive negotiating rights for Parcel 684-D(1), 1724-28 Fillmore Street, Western Addition Approved Redevelopment Project Area A-2.

It is recommended that exclusive negotiations for the four remaining properties in Victorian Square be extended to July 2, 1980. Staff has been unable to complete negotiations with the purchasers of these four buildings because the appraisals received required reevaluation and each purchaser has proposed using the Agency's Rehabilitation Loan Program for their mortgage financing which is currently unavailable because of the Ullman Bill. The appraisals have now been reevaluated and values have been established for the parcels. It is anticipated that by July 2, 1980 the Ullman Bill issues will have been resolved. The purchasers have been advised to explore alternate means for financing; however, without the use of the loan program these buildings may be beyond the purchasers' ability to qualify. As discussed at the Agency meeting of January 8, 1980, staff has been negotiating rental agreements with the designated purchasers, and it is anticipated that all four properties will be occupied within the next thirty days. The specific actions to be taken require extension to July 2, 1980 for Mr. Tony Taylor on the property at 1971-75 Sutter; for Dorothy Vaughn on 1712-16 Fillmore; for Bryant Brinkley on 1718-22 Fillmore; and for Mr. and Mrs. Charles Blagburn on 1724-28 Fillmore Street.

Mr. Tony Taylor expressed concern that the reappraisals had not resulted in any decrease in the value of the property he wished to purchase. He believed it was assessed differently than the other properties, since it had increased from \$112,000 to \$179,000. He believed that the reappraisals had lowered the prices of the other properties and he failed to understand the rationale for the change. Mr. William McClure, Director of Rehabilitation, indicated that Mr. Taylor appeared to be referring to the properties under consideration today which had been appraised only once upon completion and at the time of appraisal the values were questioned by the community as being too high. The staff had the properties reanalyzed and upon rehabilitation the prices slightly lowered, but Mr. Taylor's was not. President Wexler asked if it would be appropriate to reappraise Mr. Taylor's property and Mr. McClure responded it had been reanalyzed and the value was not found to be any lower. Ms. Hopkinson commented that all four of the appraisals for these properties had been resubmitted to the appraisers for reevaluation and the price on Mr. Taylor's property was already low and came out the same.

Mr. Porter inquired about the criteria used and why the value of the other properties was lowered except for Mr. Taylor's. Ms. Hopkinson responded that these appraisals were done at slightly different times using different comparables than the other buildings and that rental

NEW BUSINESS (continued)

levels were used to determine values which in Mr. Taylor's case made the appraisals higher. Mr. Porter asked if the appraisals were done now would it come out at the same price, and Ms. Hopkinson answered affirmatively noting that these had just been done, the comparables were recent and all were evaluated on an equal basis. Mr. Taylor's appraisal was based on comparable for rental units that were lower than the others and when the appraiser reevaluated the other buildings, he concluded that the value assigned to the other buildings was too high and adjusted them downward to a rate comparable to Mr. Taylor's. Ms. Blomquist asked if another appraisal approach could also be used for Mr. Taylor's property, and Ms. Hopkinson answered negatively noting that the \$175,000 appraisal value had not changed because it was already the lower of two appraisals. Mr. Hamilton also noted that the value of Mr. Taylor's property had not been treated differently from the other three buildings.

Mr. Taylor inquired about the rehabilitation cost for his building as compared to the others, and Mr. McClure responded that he did not have those figures with him. Mr. Glickman suggested that Mr. Taylor discuss questions with staff. Mr. Glickman indicated that staff had followed the standard procedure in the reappraisal of the property and came up with the same values; therefore, he felt the reassessment was valid. Mr. Hamilton concurred that the procedure used was correct and noted that the consideration before the Commission was an extension of exclusive negotiating rights to July 2, 1980. He indicated that a meeting had been scheduled for 2 p.m. today with Mr. Taylor and others but they had canceled the meeting. He also noted that the cost of rehabilitation was irrelevant to the appraised value.

Mrs. Rogers inquired if the Ullman Bill is to be out of committee by July 2, 1980 and she inquired about the status of that bill. Mr. McClure indicated that the bond counsel from the bank has withdrawn the bank's objection to entering into a loan agreement with the Agency. Staff will be meeting to work out the negotiations for the \$2 million. President Wexler inquired if that would affect the recommended 90-day period, and Mr. Hamilton replied it would not since the Agency needed that time to work out arrangements. Mrs. Rogers asked about the rental agreements with the proposed Victorian Square purchasers whether the rental monies paid would reduce the purchase price and Mr. Hamilton responded that the rental agreements were for designated buyers and other tenants in Victorian Square. Mrs. Rogers believed that the owners were paying more than the buildings were worth and she urged that the Agency adhere to the objective to keep acquisition costs low. Mr. Hamilton indicated that these purchasers would be required to pay the appraised value for these properties. They would be allowed to move into the buildings prior to purchase but they would have to pay an agreed upon rent. Mr. Borregard, in response to Mr. Hamilton's inquiry, indicated that if the rental were used to decrease the purchase it may constitute a gift of public funds. Mrs. Rogers then suggested that the buildings be left vacant. Mr. Hamilton indicated that staff had proposed the rental agreement in response to a request from the owners and if they did not wish to rent the buildings, they would not need to execute the agreement.

NEW BUSINESS (continued)

Mr. Charles Krause came forward and suggested that housing was needed in other areas of the city. He also believed that a lowering of expectations for housing in the city should be considered.

In response to Mr. Taylor, Mr. Hamilton indicated that the reappraisal of the property he wished to purchase had not provided a basis for lowering the price and stressed that the building must be sold at the appraised value. Mrs. Leola King expressed the belief that the 1971-75 Sutter Street building should not be as expensive as property on Fillmore Street. Mr. Hamilton responded that the Agency had made every effort to reduce the prices for the community purchasers of these buildings but it must act in accordance with HUD requirements. Mrs. King objected that Mr. Taylor cannot buy his building for the originally appraised value of \$112,000. Ms. Blomquist indicated her understanding that the Agency was allowing the prospective purchasers to rent the buildings as a protection from vandalism, and Mr. Hamilton concurred. In response to Ms. Blomquist's inquiry, Mr. McClure indicated that all of the buildings were now completed. Ms. Blomquist asked about the allocation of the parking lot shares for the Victorian Square businesses, and Mr. McClure explained that a 1/11th share of the parking is included in each property purchase. President Wexler inquired about the terms of the rental agreements particularly with respect to making significant improvements and the problems created in the event that the purchaser cannot acquire the property. Mr. Hamilton agreed that there could be a problem, but the rental agreement would be worked out to address this question so that there will be a clear understanding that furnishings and other equipment can be installed only when upon removal it does not damage the building. President Wexler indicated his appreciation of staff and the Victorian Square Association working together to get the buildings occupied.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 64-80 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 65-80 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 66-80 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 67-80 BE ADOPTED.

- (g) Resolution No. 68-80 granting an extension of exclusive negotiating rights to the Housing Authority of the City and County of San Francisco for Parcels 677-C, Sutter between Webster and Fillmore; 683-D, Steiner and Sutter; 744-B, Steiner and McAllister; 779-B, McAllister between Steiner and Fillmore; 779-I, Fulton between Steiner and Fillmore; and 1126-B, Eddy between Divisadero and Broderick Streets, Western Addition Approved Redevelopment Project Area A-2.

It is recommended that a 90-day extension of the exclusive negotiations with the San Francisco Housing Authority be granted for the six housing sites in Western Addition A-2. HUD's area office has notified the Housing Authority that it had terminated the outstanding Section 8 allocations for these developments

BUSINESS (continued)

because a firm financial commitment had not yet been obtained from the California Housing Finance Agency (CHFA). At its February 19, 1980 meeting, the CHFA Loan Committee voted to extend the Housing Authority's conditional commitment for 60 days in order to permit review of the loan application in anticipation that the Housing Authority would make an acceptable resubmittal. In addition, Mayor Dianne Feinstein has urged that HUD reinstate the Section 8 allocation for the project. Staff believes that the Housing Authority should be given an adequate opportunity to conclude these efforts to obtain a firm financial commitment and recommends a 90-day extension for this matter to be resolved. In the course of considering the developemnt of this proposal by the Housing Authority, the Agency will be looking carefully at the design and the question of management as discussed previously before the Commissioners.

President Wexler indicated that several persons had indicated a desire to speak on the matter.

Mr. Robert Speer, Western Addition Neighborhood Association (WANA), indicated that since he assumed most of the Commissioners did not live near a public housing project he wished to inform them about the problems. He had lived near one for five years and he believed the crime rate was the highest in those areas. At night gun fights, knifings, burglaries, dope pushing, and rapes were common and the police had little interest in responding to calls reporting such occurrences. He said that people living near these projects should expect their homes to be broken into. Mr. Speer deplored the state of disrepair of these housing projects and indicated that the local newspapers have reported these occurrences as having a depressing effect on neighborhoods. He also believed that elderly black women are afraid to leave their apartments and that before these units were constructed in the 1950's people in the community knew one another and enjoyed living in the area. He noted that most of the neighbors were against public housing of this type and were circulating a petition objecting to it until such social problems were irradiated. Mr. Speer indicated that the only people in favor of such housing were those with certificates who would benefit from such housing. There have been meetings with the Housing Authority regarding maintenance of the projects, but nothing new was agreed upon and no changes had been made and he stressed that the Housing Authority should repair property already under its ownership instead of building more projects. He urged that an extension not be given and he believed that the Mayor does not understand the community needs. Supervisor Ella Hill Hutch does understand the problems and opposes the public housing, and he intended to go to court to stop this housing.

Mrs. Mary Jane Staymates of WANA concurred with Mr. Speer's remarks. She believed that in light of the passage of Proposition 13 it was irresponsible to request money for this project and that the CCHF was also opposed to funding the project. She urged that any funds available be used on maintenance and management of existing units instead of building new units. She suggested that the site adjacent to the Bushmorr development be built as market-rate housing because it is desperately needed.

Mr. Steven Richards indicated that as Chairman of WANA he opposed any additional public housing in the area and city for the reasons given by Mr. Speer. Last July 29, 1979 when this matter was discussed at an Agency meeting he believed Mrs. Rogers had stated that she did not want any more

NEW BUSINESS (continued)

public housing either but because the Housing Authority was the only agency that builds large units there was no alternative. He believed Mrs. Rogers and the community deserved better housing than the Housing Authority provided. He also believed that the Housing Authority was pitting one group against the other to achieve its ends and that some large bedroom units could be incorporated in the Bushmoor Development. He believed there should be a more creative solution to housing instead of selecting an agency which has a record of providing inadequate housing. He urged that the Commissioners terminate the negotiating rights of the Housing Authority.

Dr. James Delameter, Chairman of Beideman Area Neighborhood Group (BANG), indicated he had sent a letter to Mr. Hamilton last year in August 1979 stating that he was willing to develop good quality low-income housing and that he would do so as a tax loss. He stated that he was still willing to do so. He believed that the neighborhood was a pleasant place to live and he urged that the Commissioners not allow more public housing to be built in the area.

Mr. Peter Witmer, representing the Aiama Square Association, indicated that he was an architect. He noted that there are already 1,130 units of permanent public housing and 1,100 units of subsidized family housing in the area. He was also concerned that within the same area it is proposed to build three projects in the same block and that these could not be called "scattered" public housing. The area has absorbed sufficient low-income housing and such units should be distributed around the city. He also suggested that some of the abandoned school sites be considered for such housing. He also believed that the crime problems in public housing areas was deplorable and urged that the Commissioners reject the Housing Authority's request for an extension.

Mr. Paul Denning indicated that these same arguments had been voiced six months ago and people are still opposed to public housing even though he did not feel the Western Addition had become overburdened with subsidized and public housing. He was also critical of the way public housing was maintained. It was his understanding that the Housing Authority was now screening its tenants more carefully, but he urged that the Commissioners vote against this project until there was more positive evidence that major changes had been made in the housing to be built.

Mrs. P. Segall of WANA indicated that the Agency had spent a great deal of money in beautifying the Western Addition area and she believed this housing would be a negative factor, tending to make the area a slum again.

Mr. Arnold Townsend, Executive Director of WAPAC, indicated that when this issue had first come up before the Commissioners he had made a survey of other areas of the city where public housing existed and had interviewed the neighbors. Most of them were unaware that scattered housing existed in their neighborhoods. He referred to the developments on Scott, Randolph, and Rivera Streets as being well maintained. These units were part of the settlement of a lawsuit brought against HUD and the Agency by the Western Addition Community Organization (WACO) which provided that 200 public housing units were to be built but that had been reduced to 40. Now, HUD has withdrawn its Section 8 funding for these buildings and if these remaining units are not built then Mr. Townsend threatened to bring suit not only for construction of the units, but also for all 200 units originally proposed.

NEW BUSINESS (continued)

Mr. Benny Stewart of WAPAC indicated he was in favor of scattered public housing. He indicated that the Western Addition Area A-2 community had lived through the urban renewal process for fifteen years before the previous speakers had voluntarily moved into the area. He also indicated that the type of public housing proposed has been successful in other areas. If the previous speakers were opposed to the public housing they could voluntarily move out of the area because low-income people had no choice but to remain there. He did not believe the area was impacted and also noted that 200 units had been proposed, but these were reduced to 40 units and that there needed to be continued effort to even get this housing built.

Mrs. Rogers indicated her support of the extension of negotiating rights to the Housing Authority but acknowledged that there still existed a problem with HUD and CHFA, and threatened to sue both of these agencies to perform. She believed that people usually support construction of low-cost housing as long as it is not next door to them. As far as the crime problem exists, she believed it was not necessarily those who lived in public housing who were involved with crime. She believed there should be housing for all economic levels and that the problems resulted from the way public housing was developed that was at fault because placing a family of eight into a three-bedroom unit with no amenities fostered such social problems. She indicated there were 9,000 people on the waiting list for public housing and that the Agency has an obligation to fulfill its housing commitment of 200 units in Western Addition A-2. The Housing Authority itself has not constructed even one public housing unit and she believed that the Agency and Housing Authority should work together to provide low-cost housing. Management problems should be worked out by the Agency and the Housing Authority. She urged the 90-day extension.

Mrs. Essie Collins of WAPAC indicated her support of the 40 units with better management and security than was provided for the existing public housing in the area. She had lived in the community for twenty-five years and felt safe there.

Mr. Evert Heynneman, Chief of Planning for the Housing Authority, indicated that the Housing Authority had problems with maintenance and management but that it could not assume responsibility for all of society's social ills. Improvements are being made in these areas and the Housing Authority intended to contract out for management of these units. He noted that there was a major difference between the high-rise units built earlier and the scattered low-rise units proposed for the area.

Mr. William Hahn indicated he had resided in the area for four years and he was not supportive of more public housing in the area because of the high crime rate. He indicated he was a landlord whose tenants had been the victims of such crime, particularly around Alamo Square. He believed that there were many people who did not want more public housing in the area.

Mr. Porter commented that arguments had been presented both pro and con regarding public housing. In his opinion it appeared convenient to always blame the poor for all the existing social problems. He believed that there was a high crime rate in all strata of society and in all areas of the city, so it was not just the poor who experienced these problems although crime was also caused by high unemployment. He could understand the viewpoint of those who did not want public housing next door to them and also that of those in favor

NEW BUSINESS (continued)

of it; however, as a Commissioner he believed there was a mandate that public housing be provided for all of San Francisco and he supported staff's recommendation for an extension of time for the Housing Authority to complete its work.

Mr. Lee indicated that he understood the objections of those living near public housing; however, he believed that this proposed housing is different than existing public housing because the six sites are scattered and are expected to be better managed and maintained.

President Wexler indicated that the public comments had been informative and had addressed serious issues, but most of the concerns he had heard appeared to be directly related to the activities generated from the large high-rise Housing Authority units that had been built during the 1950's. Action taken today will not affect those existing structures and any needed improvements are not within the Agency's purview to accomplish but are the Housing Authority's. The Commission is considering a request to extend the Housing Authority's negotiating period for six sites so that these problems may be examined and dealt with where issues of better quality of management by private firms may be utilized. President Wexler acknowledged that the Agency was concerned about the quality of design of the proposed buildings as well as the selection of the tenants. It was his understanding that the Housing Authority would screen prospective tenants. These issues would be brought forward to the Agency staff or community for their review. He indicated he would support the extension with the caveat that these concerns be worked out to the satisfaction of those who had addressed them. He invited the community to work with staff in the process of resolving these issues if the Housing Authority is successful in obtaining the sites. He believed the 40 units on these six sites would not create a problem and that the Agency did have an obligation to provide housing for all segments of the community.

Mr. Glickman concurred in these comments and noted his awareness of the need for affordable housing. He believed that these parcels could be developed better than the larger projects that were built during the 1950's which presented problems. This was a different kind of housing opportunity and he urged that the Housing Authority provide decent housing.

ADOPTION: IT WAS MOVED BY MR. PORTER AND SECONDED BY MR. GLICKMAN THAT RESOLUTION NO. 68-80 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Ms. Shelley
Mr. Porter
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

PROCEEDINGS OF THE REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
11TH DAY OF MARCH 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 p.m. on the 11th day of March 1980, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Parree Porter, Vice President
Charlotte Berk
Dian Blomquist
Melvin Lee
Joan-Marie Shelley

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and the following was absent:

Rubin Glickman

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, Western Addition Project Area Committee (WAPAC); Alvin C. Norman, Audrey Andrews, Bayview Hunters Point Joint Housing Committee.

APPROVAL OF MINUTES

It was moved by Mr. Porter, seconded by Ms. Shelley, and unanimously carried that the minutes of the Executive Meetings of September 18, 1979 and February 13, 1980, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS

- (a) Resolution No. 70-80 designating Parcels D-1 and D-2, Evans to Galvez, between Third and Newhall, for Commercial Development and approving the Marketing Approach, India Basin Industrial Park.

Authorization is requested to designate Parcels D-1 and D-2 in the India Basin project area in the blocks bounded by Evans, Galvez, Third and Newhall Streets for commercial development and approval of the marketing approach that will ultimately lead to the selection of a developer for those parcels. A feasibility study was undertaken and completed in December 1979 by Economics Research Associates to determine the most appropriate site and development approach. Their summary report recommends that retail development be located on Third and Evans and that it be anchored primarily by uses such as a bank, fast food restaurant, perhaps a convenience market, dry cleaners and other shops. It also recommends that this development correspond with the opening of the Postal Service facility, which is scheduled for the Fall of 1982.

NEW BUSINESS (continued)

Parcel C, located in the blocks bounded by Evans, Newhall and Mendell, has long been reserved for commercial development and the consultants recommended that Parcels D-1 and D-2 be substituted for commercial uses because of the greater visibility of these sites. There is also developer interest in building an import center in the project and staff believes that a portion of Parcel C would be an appropriate location for this use. The developers of the import center have also agreed with that concept. The major goal for the marketing approach will be to find a developer that can demonstrate an ability to complete a project of this size and type and has the strength to remain involved for the three to five year period necessary to complete the development. The Agency and developer will seek maximum community input in the development through selection of tenants investment opportunities and participation as tenants and employees. The Agency anticipates having a developer ready to enter into Exclusive Negotiations by October of this year and bring the LDA to the Commission for approval by the end of February 1981.

Mr. Alvin C. Norman, representing the Bayview Hunters Point Joint Housing Committee, expressed concern about the type of developments being considered and the time required to get the project underway. He urged that uses such as an ice skating rink and a movie theater be considered. Ms. Blomquist suggested that Mr. Norman provide staff with a list of uses that the community wanted.

In response to Mr. Lee's inquiry and questions from President Wexler about the visibility of the parcel because of the berm across the Third Street frontage, Ms. Hopkinson responded that there was vehicular access from the side streets and store signs could be visible from Third Street; however the question of eliminating the berm would be evaluated and the Commission advised of the results of this study.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 70-80 BE ADOPTED.

- (b) Consideration of authorization to negotiate a contract with Environmental Science Associates, Inc. for an Environmental Impact Report/Statement, Rincon Point-South Beach Redevelopment Project.

Authorization is requested to negotiate with Environmental Science Associates to prepare an Environmental Impact Report/Statement for the Rincon Point-South Beach areas, which is the new Redevelopment Project Area on the Northeastern Waterfront. It is expected that completion of the EIR will take seven months at an estimated cost of \$70,000 to \$75,000. On January 31, 1980, the City Planning Commission selected Rincon Point-South beach area as a two-part Redevelopment Project. Because of the need to expedite the adoption of the Redevelopment Plan, the EIR process could be accelerated significantly by negotiating with a single consultant. Staff recommends contracting with Environmental Science Associates, a firm highly recommended by the City's Environmental Review Officer. Also, ESA will be able to maximize use of the data base in the Preliminary Environmental assessment completed for the Northeastern Waterfront Survey under ROMA to complete the EIR.

Ms. Blomquist expressed concern about the cost of the EIR particularly when there was extensive material available to provide the basis for their study. She did not believe a great deal of creative research had been done for the EIR for YBC. Ms. Blomquist urged that if a contract were awarded to ESA the firm be urged to make a more creative effort. Ms. Berk concurred

NEW BUSINESS (continued)

and suggested that other firms be considered in the future. Staff indicated that in order to expedite this aspect of the planning work it was necessary to negotiate a contract instead of seeking proposals, as that would be time consuming and the primary objective was to produce an accurate document.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY AND UNANIMOUSLY CARRIED THAT AUTHORIZATION TO NEGOTIATE A CONTRACT WITH ENVIRONMENTAL SCIENCE ASSOCIATES, INC. FOR AN ENVIRONMENTAL IMPACT REPORT/STATEMENT, RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT BE APPROVED.

- (c) Resolution No. 71-80 authorizing the Executive Director to execute an amendment to the contract with William A. Welch for Acquisition Appraisal Services, India Basin Industrial Park and Western Addition A-2.

It is recommended that William A. Welch's contract for acquisition appraisal services in the India Basin and Western Addition A-2 be amended to increase the contract amount by \$5,000. The Agency contracted with Mr. Welch in February 1978 for a three-year period in the amount of \$10,000 to provide appraisal services on an "as need basis." Though the three years have not expired, the amount of the contract has been used up, primarily for appraisals in the Western Addition. Staff recommends amending the contract to provide appraisal services for a parcel in India Basin at a projected cost of \$1,500 and \$3,500 has been added for appraisals that may be needed in the next few months. In the future staff will recommend new appraisal contracts for current projects and those in the planning stages, such as the Bayview Industrial Triangle and the Northeastern Waterfront.

Mrs. Mary Rogers, President of Western Addition Project Area Committee (WAPAC), expressed concern that this contract was not put out for competitive bidding. Mr. Hamilton indicated that this provided for appraisal services for one parcel in India Basin and it was not recommended to seek proposals for only one parcel. He also stressed that this type of contract was not put out for competitive bidding. The Agency will soon be selecting new appraisers, but this amendment will complete the services needed to complete the old projects.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BLOMQUIST AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 71-80 BE ADOPTED AS AMENDED TO ADD THE CONTRACT AMOUNT OF \$5,000 TO THE RESOLUTION.

- (d) Resolution No. 72-80 authorizing second extension of time for submission of financing and date of conveyance in the Agreement for the Disposition of Land with Yerba Buena Village Foundation for Parcel 728-A, E, and J, east side of Scott, between O'Farrell and Ellis, Western Addition A-2.

Authorization is requested for an extension of time for Yerba Buena Village Foundation for their proposed development of the parcel located on the east side of Scott between O'Farrell and Ellis in the Western Addition A-2 for submission of financing from February 15 to June 3, 1980 and the date of conveyance from April 15 to August 5, 1980. This extension will allow the developer time to seek reinstatement of the Section 8 commitment for the project and to obtain financing. The Yerba Buena Village Foundation's development of 75 cooperative units are to be subsidized under Section 8 and financed by the California Housing Finance Agency.

NEW BUSINESS (continued)

A previous extension was required to resolve the issue of an increase in costs and it was necessary for the developer to obtain new financing from CHFA. Recently, HUD has not been approving Section 8 because of concerns that the community is becoming impacted. However, Section 8 subsidies have been set aside for this development since 1978 and have been processed by HUD staff, but there was no indication that this development would not be approved. Staff is working with OCD, CFHA, and the developer and his consultant to obtain reinstatement.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 72-80 BE ADOPTED.

- (e) Resolution No. 73-80 terminating an Agreement for Disposition of Land for Private Redevelopment, Parcel 3752-A, southwest corner of Fourth and Folsom, with Peter and Gina Borra, Yerba Buena Center.


Authorization is requested to terminate the LDA between the Agency and Peter and Gina Borra for the 3,600 square foot parcel at the corner of Fourth and Folsom Street in Yerba Buena Center. In April 1969 an owner-participation agreement was executed with the Borra's calling for rehabilitation of their Modern Machine Shop. An LDA was executed with them at the same time for development of the adjoining parcel at 310 Fourth Street as a one-story addition to their existing building, however, the developer was reluctant to proceed because of the delays in YBC. When staff requested Mr. Borra to proceed in March of 1978 and again in April 1979, he responded by submitting a proposal to buy the land and use it as a parking lot until the addition to his shop was financially feasible. Mr. Borra was notified that he was in default of his LDA in July 1979 and had 60 days to submit preliminary plans, which he has not done. It is now recommended that the LDA be terminated and that the parcel be reoffered. Because Mr. Borra is a small business man who acted in good faith, it is also recommended that his deposit of \$1,170 be returned.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 73-80 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Shelley, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:35 p.m.

Respectfully submitted,


Helen L. Sause
Secretary

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
25TH DAY OF MARCH 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met a regular meeting at 939 Ellis Street in the City of San Francisco, California at o'clock p.m. on the 25th day of March 1980, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Parree Porter, Vice President
Charlotte Berk
Rubin Glickman
Joan-Marie Shelley (joined the meeting at 5:15 p.m.)

and the following were absent:

Dian Blomquist
Melvin D. Lee

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The President declared a quorum present.

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Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, and Dexter Woods, Western Addition Project Area Committee (WAPAC); Sam Stuart, and U. J. Montgomery, Shabazz School; John C. Belz, Ram E. Smith, and Aaron Rubino, Friendship Associates; Rama Saraswati, Fillmore Community Food Store; Nabeeh Moganaam, Mogannam Associates; Frederick Brothers, and Terie Michelle Street, Frederick Brothers Development Corporation; Lafayette Jamerson, S. E. G. Jamerson, and Emerson E. Stafford, Jamerson Printing Company, et al.; Stephen Lewis, Chet C. Smith Trucking Company; Lavolia Baker, Baker Insurance Agency; Maryne Staymates, Western Addition Neighborhood Association (WANA); Barry L. Wasserman and John Baker, State of California; Susan Shoemaker and Sidney Sooner, Skidmore Owings Merrill; and Willie Keyes, interested citizen.

Representing the press were Gerald Adams, San Francisco Examiner; Marshall Kilduff, San Francisco Chronicle; and Mike Mewhinney, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Porter, and unanimously carried that the minutes of the Regular Meeting of March 4, 1980, as distributed by mail to the Commissioners, be approved. It was moved by Mr. Porter, seconded by Ms. Berk and unanimously carried that the minutes of the Executive Meetings of October 25, 1979 and March 18, 1980, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matter:

- (a) The Dimas-Alang House, a 147-unit housing development for senior citizens, will have an open house and dedication, Thursday, March 27, 1980, at 2 p.m. All members of the Commission are invited to attend, and the Mayor is expected to be present.

UNFINISHED BUSINESS (continued)

- (a) Resolution No. 82-80 rejecting low bid submitted by Chet C. Smith Trucking Company and awarding the Demolition and Site Clearance Contract No. 75 to Ferma Corporation, Western Addition A-2.

This item concerns consideration of the award of Demolition Contract No. 75 and was held over from last week to allow Mr. Lewis of the Chet Smith Trucking Company time to obtain an opinion from the General Contractor's Licensing Bureau regarding the applicability of their contractor's license to perform demolition work pursuant to this contract. Staff has recommended (1) rejection of the low bid submitted by Chet Smith Trucking Company, and (2) award of the contract to the second low bidder, Ferma Corporation, in the amount of \$2,000. The contract provides for the clearance of Doggie Diner restaurant at 601 Van Ness Avenue, which is the last structure to be cleared for the Opera Plaza development expected to be under construction in April. Six firms submitted bids for this demolition contract and Chet Smith Trucking Company submitted a low bid of \$1,116. However, the firm has only a general contractors license and does not have the specialty license required where the primary work is demolition. A letter has now been received from the General Contractors Licensing Bureau indicating that when a general contractor has an excavation contract and is to do the excavation on the site it is acceptable to also award a demolition contract to such a firm. That is information not known to the Agency last week, therefore, staff now recommends award of this contract to Chet Smith Trucking Company in the amount of \$1,116 based on the understanding that the firm is also to excavate the site.

Mr. Steven Lewis of Chet Smith Trucking Company indicated that he was available to answer questions. In response to President Wexler's inquiry, Mr. Leo E. Borregard, Agency General Counsel, indicated that he had received information from the State License Board which concerned the question of the C12 excavating license and that it appeared that the firm could perform the work since they would excavate the site. He also indicated that Mr. J. Cahill had assured him that the Chet Smith Trucking Company would do the excavating work. Mr. Borregard suggested that the firm provide satisfactory affirmative action and safety programs by the next Agency meeting and President Wexler concurred. In response to President Wexler's inquiry, Mr. Borregard indicated that there was a bid bond for this contract which insured that the work would be completed.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 82-80 BE ADOPTED CONDITIONED ON RECEIPT OF SATISFACTORY AFFIRMATIVE ACTION AND SAFETY PROGRAMS FROM THE CHET SMITH TRUCKING COMPANY.

NEW BUSINESS

- (a) Resolution No. 84-80 authorizing the Executive Director to enter into exclusive negotiations with the Department of General Services, State of California, for Parcels 767-A and B, in the block bounded by Van Ness, Franklin, McAllister and Golden Gate, Western Addition A-2.

Authorization is requested to enter into exclusive negotiations with the California Department of General Services for Parcels 767-A and B, located in the block bounded by Van Ness, Golden Gate, Franklin and McAllister, Western Addition A-2 for six and one-half months until October 7, 1980.

NEW BUSINESS (continued)

The State has had a long-term interest in this property and as a result of discussions with the Agency, the State has prepared a Schematic Design Report for a new State Office building on the site. The State has obtained approval from the Legislature for preliminary funding of design and land acquisition costs and it is anticipated construction funds, estimated at \$25 million, will be appropriated in the 1981-82 Fiscal Year Budget and construction could commence in January 1982. This will be a five-story building with 210,000 square feet, and two levels of underground parking for 225 cars. The site of 84,437 square feet is partially owned by the State and 56,295 square feet is to be acquired from the Agency. The Agency's portion of the site contains eight occupied buildings and relocation activities will begin after the Land Disposition Agreement (LDA) is executed. Approval is recommended to enter into exclusive negotiations with the California Department of General Services.

Mr. Hamilton noted that members of the state staff were present to answer questions and a building model was on display. Mr. Barry L. Wasserman, State Architect, indicated that Mr. John Baker of General Services Administration (GSA) and Mr. Mike Smith, who was responsible for the final EIR, were also present. He used the project model to indicate that the building was designed to meet three key requirements which included developing office buildings of design excellence with a scale and welcoming quality that projects an image that the State is to serve the public. The building is also to be responsive to the needs of the users. The prime tenant will be the Public Utility Commission which has a great deal of interaction with the public. There will be over 1230 employees in the building. Mr. Wasserman also indicated that the State buildings are pioneering in the field of energy conservation. He noted that the model was the result of a schematic design effort and would be refined. He believed that this building would be an asset to the Civic Center.

Ms. Lavolia Baker, Baker Insurance Agency, expressed concern about the affirmative action program for this project and urged the Commissioners to require GSA to work to encourage minority participation in the project. In response to President Wexler's inquiry, she indicated that she was particularly concerned about having black insurance brokers in the Western Addition provide necessary insurance coverage. Ms. Mary Rogers, Western Addition Project Area Committee (WAPAC), also expressed concern about GSA's affirmative action program.

Mr. Wasserman indicated that the State is self-insured and does not do business with outside insurance agents. However, with regard to other aspects of affirmative action such as hiring minority employees the State is an equal opportunity employer and will make every effort to have an effective affirmative action program. Ms. Baker indicated that the Housing Act required that businesses in the Western Addition be given maximum participation in contracts in the area. She indicated that she was writing insurance for the Governor's office; therefore, she believed that the State does take bids with private insurance carriers. Mr. Warren Smith indicated that the State is self-insured for such coverage as fire and liability but indicated that Ms. Baker could contact the Director of GSA.

Mr. Ulysses Montgomery indicated that he was a housing consultant and developer and commented that there was a provision in the 1964 Housing Act

NEW BUSINESS (continued)

which requires that businesses and residents of redevelopment areas be afforded maximum feasible participation in the development activities. He suggested that the State consider using the retail space for minority businesses and provide ongoing opportunities not just construction jobs.

President Wexler inquired about the potential impact on this project if Proposition 9 were passed, and Mr. Wasserman expressed the belief that the building is presently in the governor's budget. He also indicated that the PUC needed this space and that this need would still exist even if Proposition 9 passed.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 84-80 BE ADOPTED.

- (b) Resolution No. 85-80 granting a second extension of exclusive negotiations with Jones Memorial Homes for Parcel 683-E, northwest corner of Post and Fillmore, Western Addition A-2.

Authorization is requested for a 90-day extension of exclusive negotiations for Jones Memorial Homes for the parcel located on the northwest corner of Fillmore and Post Streets, Western Addition A-2. On October 17, 1979, the Agency entered into exclusive negotiations with Jones Memorial Homes who proposed to build 52 units of Section 8 elderly housing and 10,000 square feet of commercial space in this site. This development would complete their project of which the first phase of 103 units was completed in August, 1974. These exclusive negotiations were extended an additional four months on November 27, 1979 to allow the developer to secure HUD approval which was applied for on December 19, 1979.. HUD has not approved additional Section 8 subsidized units for the Western Addition A-2 because of the concentration of assisted housing in that area. During a meeting with HUD on March 21, 1980. HUD gave verbal approval for this development. A 90-day extension of exclusive negotiations is now recommended in order for Jones Memorial to obtain the necessary Section 8 commitment from HUD.

Mrs. Rogers indicated that she supported the extension but expressed concern that WAPAC was not present at the meeting with HUD because she understood that the issue of impaction was discussed. Mr. Hamilton indicated that the HUD meeting concerned a number of the Agency's projects, including Yerba Buena Center and Hunters Point as well as the Western Addition. He indicated that WAPAC will be involved as appropriate. In response to an inquiry from Mrs. Mary Jane Staymates, President Wexler indicated that if the extension were not granted, the exclusive negotiations would expire.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 85-80 BE ADOPTED.

Mr. Hamilton indicated that the Board of Supervisors authorized issuance for the mortgage revenue bonds in connection with the SB 99 bond issue.

- (c) Resolution No. 86-80 approving the Preliminary Official Statement for the Residential Mortgage Revenue Bonds, issue of 1980, and authorizing its distribution, Western Addition A-2.

Authorization is requested to approve the Preliminary Official Statement (P.O.S.)

BUSINESS (continued)

for the Western Addition A-2 SB-99 Residential Mortgage Revenue Bonds. The P.O.S. will permit the offering of the primary bond issue of approximately \$100,000,000 for permanent mortgage funds for Opera Plaza, Bushmoor, and Sapunar and Duering. This statement will be sent to the rating services and used to premarket the bonds in the investment community. The final official statement will be calendared for consideration with the related bond documents on April 15, 1980. Some of the other developments originally considered for inclusion in this bond issue have been determined by legal counsel not to be qualified and legal counsel will continue to pursue the eligibility of these developments with respect to the Ullman Bill restraints. Other developments which are qualified will be the subject of separate bond issues. Approval is recommended of the P.O.S.

- (d) Selection of a Trustee-Administrator for the SB-99 Program, Western Addition A-2.

It is also requested that the Commission select a Trustee/Administrator for the SB-99 Residential Mortgage Revenue Bonds for the Western Addition A-2. At the meeting of February 19, the method of selecting a Trustee/Administrator by soliciting proposals from San Francisco firms was approved. The Trustee is responsible for disbursement of funds resulting from the bond sale and protection of the funds on behalf of the bondholders. The Administrator is responsible for review and coordination of individual loans, as well as overall supervision of the various participants and the loan portfolio. Staff is recommending that the Trustee/Administrator be selected from one institution to reduce program expenses. Proposals were received for both Trustee and Administrator from Crocker Bank, United California Bank, and Wells Fargo Bank. Based on evaluation of proposals it is recommended that Wells Fargo Bank be selected. Their annual fee is reasonable and it is recommended the Wells Fargo Bank be selected to serve as the Trustee/Administrator for the Agency's SB-99 Residential Mortgage Revenue Bonds Program.

- (e) Selection of Originator-Servicer for the SB-99 Program, Western Addition A-2.

It is requested that three firms be selected for Originator/Servicers for the A-2 SB-99 Residential Mortgage Revenue Bonds. At the meeting of February 19, 1980, staff was authorized to obtain proposals for Originator/Servicers for the bond program. The required services include originating and servicing the mortgages over the life of the loans. Seven proposals were received and evaluated with four of the firms considered most qualified. One of the firms, Wells Fargo, was just recommended for selection as Trustee/Administrator and the three remaining firms recommended for consideration are: Citizens Savings and Loan, Crocker National Bank, and United California Mortgage Company. The agreements for these services will also be submitted for the Commissioners' consideration on April 15, 1980. Fee payments for these services will be made by the purchaser. It is recommended that staff be authorized to finalize agreement for Originator/Servicers with Citizens Savings and Loan, Crocker National Bank, and United California Mortgage Company.

Mr. Hamilton indicated that the underwriters bond counsels are present to answer questions. In response to President Wexler's inquiry regarding the selection of Wells Fargo Bank, Ms. Judith Hopkinson, Director of Development, indicated that originally the Bank of America was submitted as the trustee. Both the United California and Crocker Bank had been

NEW BUSINESS (continued)

recommended as the Originator/Serviceirs and on advice of counsel they could not serve both in that capacity and as trustees. Ms. Hopkinson indicated that United California and Crocker had extensive experience as the Originator/Serviceirs of primary importance.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 86-80 BE ADOPTED.

MOTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT WELLS FARGO BANK BE SELECTED AS TRUSTEE/ADMINISTRATOR FOR THE SB-99 RESIDENTIAL MORTGAGE REVENUE BOND PROGRAM FOR THE WEST IN ADDITION A-2.

MOTION: IT WAS MOVED BY MS. BERK AND SECONDED BY MR. PORTER THAT CITIZENS SAVINGS AND LOAN, CROCKER NATIONAL BANK, AND UNITED CALIFORNIA MORTGAGE COMPANY BE SELECTED FOR ORIGINATOR/SERVICEIRS FOR THE A-2 SB-99 RESIDENTIAL MORTGAGE REVENUE BONDS, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Mr. Porter
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

Mr. Glickman

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (f) Resolution No. 87-80 authorizing the Executive Director to enter into exclusive negotiations with a developer for Parcel 785-A(1), 685-91 McAllister Street, Western Addition A-2.

Authorization is requested to grant exclusive negotiations for the purchase and rehabilitation of 685-91 McAllister Street in the Western Addition A-2 for 120 days. This building has 24 units plus ground floor commercial and was publicly offered for purchase and rehabilitation. The selection criteria included preference to certificate holders with selection based on consideration of the use of the building after rehabilitation. Nine qualified bids were received and six of these were from certificate holders. Staff and WAPAC recommend designation of Friendship Associates, because they are committed to carrying out the rehabilitation of the building and allowing the present ground floor tenants, the Thrift Shop, El Shabazz School, and the Co-op Market to return after rehabilitation at a rental per square foot of 50 percent of the market rate. Friendship Associates would also agree to relocate the school and market temporarily during rehabilitation at their own cost. It is recommended that Friendship Associates be granted 120 days for exclusive negotiations.

NEW BUSINESS (continued)

Ms. Valerie Michelle Street, representing Frederick Brothers Development Corporation, presented a model illustrating their proposal for rehabilitating the McAllister Street building. She indicated that they were a San Francisco based nonprofit corporation primarily involved in the development of senior citizen housing and distributed a packet to the Commissioners which outlined their conception of the project. She stressed their commitment to serving the community and providing affordable housing for people of all national, ethnic, and age backgrounds. Because Frederick Brothers is a nonprofit corporation they can develop lower cost units. They are also committed to seeking businesses to occupy the commercial space which serve the needs of the community.

Mr. Frederick Brothers indicated that seven months ago his corporation committed itself to establishing housing for senior citizens, and presented this project to the Mayor, the Board of Supervisors and senior citizens groups throughout the city. He urged that the Commission favorably consider the proposal on its merits, rather than on the basis of a Certificate of Preference.

In response to Mr. Glickman's inquiry, Mr. Brothers indicated that his corporation had not completed any other senior citizens projects in the city. President Wexler indicated that the offering brochure stated that preference would be given to Certificate Holders, and inquired why Mr. Brothers expected the Commissioners to alter its stated policy. Mr. Brothers expressed the belief that it would be undemocratic to award the bid on that basis. He stressed his firm was not interested in making a profit, and an award on the certificate basis would require that certificate holders have only 51 percent of the project. Mr. Porter commented that the financing information in the brochure from Mr. Brothers was dated September 27, 1979 and Ms. Street indicated that the information was submitted to the Agency and that they would have to update the financing institutions which had indicated they would fund this project.

Ms. E. G. Jamerson indicated that the Agency had purchased property from her and that she had been given a Certificate of Preference. She also indicated that her son was a printer and that her family would like to reestablish a business in the McAllister Street property.

Mr. Lafayette Jamerson, Jamerson Printing Company, alleged that he had not received relocation benefits for his printing shop and if his family was awarded this property it would complete his relocation. In response to Mr. Porter's inquiry, Mr. Jamerson indicated that his printing business was not entirely closed but he needed more space because he did some brokerage work. Mr. Emerson E. Stafford, Attorney for Mrs. Jamerson, clarified that Mrs. Jamerson was a displaced business person. He also believed that the Agency had been unsuccessful in its efforts to relocate Mr. Jamerson's business. He indicated that Mr. Jamerson's business included five or six presses and a linotype machine. He also indicated that if Mrs. Jamerson was one of the successful bidders, two certificates would be satisfied. He requested a thirty-day deferment so that the aspects and benefits of the Jamerson's bid could be considered.

Mr. U. J. Montgomery commented on the certificate program. He noted that he and Mrs. Rogers were among those that created this program and there was a legal commitment to give certificate holders preference.

NEW BUSINESS (continued)

This was part of the WACO suit which created WAPAC and he noted that the WACO case is still pending and could be reopened if the Certificate Program was not followed. He suggested that the Agency consider authorizing the staff to negotiate land sales with the certificate holders in conjunction with WAPAC to satisfy the requirements of the program.

Nabeeh Mogannam of Mogannam Associates indicated that five years ago she was in business in the Western Addition and had been displaced by the Agency. She urged that the Commissioners carefully evaluate her offer and judge it on its merits. She indicated that she had worked with the people of the area for the last 15 years and understood the needs of the community and intended to work with the community if her proposal was accepted. She alleged that she had not received the relocation promised by the Agency. She believed that WAPAC had misunderstood her intention regarding the present tenants and indicated that she was going to allow the present tenants to remain providing they are responsible tenants.

Mr. Arnold Townsend, WAPAC, has supported retaining the tenants in the building. He recalled that when the tenants could not rehabilitate the building at rents that they could afford, Friendship Associates came up with an agreement which is being worked out. He also noted that there is more than one certificate holder. Mr. Townsend noted that a recent newspaper article referred to WAPAC as racist and noted that this was an entirely fallacious statement, as evidenced by Mr. Aaron Rubino's participation in Friendship Association as the Certificate holder.

Ms. Rama Saraswati, Fillmore Community Food Store, expressed her belief that Friendship Associates was the most sensitive developer to the needs of the tenants and anticipated that in the 90-or 120-day negotiating period an agreement would be finalized. Mr. Hiram E. Smith of Friendship Associates, indicated that Friendship Associates was composed of three non-minority persons and himself. He noted that Mr. Rubino had been in business in the 700 block of McAllister from 1960 until 1973 and had been relocated by the Agency. He indicated that Friendship's proposal addressed community needs particularly regarding the school which he believed had been there for at least 12 years. He had had his law practice in that area and knew the need for such services. He introduced Mr. John Christian Belz, architect for Friendship Associates, who indicated that he would answer questions that the Commission might have concerning the group's proposal.

Mrs. Mary Rogers expressed the belief that the Certificate Program limits the use of certificates to one for each displaced persons and businesses. She indicated her concern about having this property returned to black people who have been displaced. She stated that this was her opinion not the WAPAC position and noted that she differed with WAPAC on its recommendation on the basis of minority participation and she did not support a proposal that had only one-bedroom units. She asked the Commissioners to hold this item for a week and confer with WAPAC to see if all of these objectives could be achieved including support for the Shabazz School. She also noted that Mr. Rubino had previously used his certificate. In response to Ms. Berk's inquiry, Mrs. Rogers indicated that Mr. Rubino had used a certificate to purchase a building in Western Addition A-2 to rehabilitate and she wanted to know if he still had a valid certificate. Mr. Sam Stuart, El Shabazz School, indicated that the school and food cooperative will be allowed to continue

NEW BUSINESS (continued)

to occupy the three store fronts on Market Street, 630, 36-46 Gough Street under the Friendship Association proposal. The school would also be granted additional space and there is an agreement on the rent which would permit the school to pay 25¢ per square foot for 15 years and after 15 years, the school will be able to renew the lease at half the market rate.

He supported the Friendship Association proposal because it was the group which had offered the school an opportunity to continue in the building. He indicated that in addition they would like to have an equity in the development.

Mr. Glickman indicated that he would like additional time to study the proposals before coming to a decision. He suggested that the Commission hold this for a week. Mr. Porter and Ms. Shelley concurred. President Wexler indicated that it appeared there was a unanimous consensus of the Commission that more time was needed for a decision on this matter, and asked if the Commissioners wanted additional information for the next week. Mr. Glickman indicated that it appeared staff had recommended Friendship Associates because of their willingness to accommodate the tenants and asked for more information about the lease arrangements. President Wexler requested information regarding the qualifications and capacity of the development teams to do the work and also asked for information on interests of the persons involved in Friendship Associates. He particularly wanted more information on those persons that had been involved in rehabilitation of the building in Western Addition A-2. He also requested information on the present tenants including tenants who were in the building when it was acquired as opposed to those who have been moved in as nonprofit organizations at essentially no rent. In response to President Wexler's inquiry, Mr. Hamilton indicated that the offering criteria specified that preference would be given to qualified certificate holders. President Wexler requested more information on the certificate holder in each case particularly with regard to the interest of the certificate holder and those that want to reestablish their own business. On the Friendship Associates, Mr. Rubino has the certificate and President Wexler inquired about the use that Mr. Rubino planned to make of the property.

MOTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED TO CONTINUE THIS MATTER UNTIL THE MEETING OF APRIL 1, 1980.

President Wexler announced that the meeting would be recessed for five minutes. The meeting recessed at 6:55 p.m.

The meeting reconvened at 7 p.m. with the same roll call.

President Wexler indicated that before the next item was taken up, the workshop on the status of residential rental developments and possible changes to condominiums, Western Addition A-2, would be postponed until the meeting of April 1, 1980.

- (g) Resolution No. 81-80 ratifying a travel authorization for one Commissioner and three staff persons to attend the NAHRO Tri-Chapter meeting, March 24 and 25, 1980.

Ratification is requested for one Commissioner and two staff persons who attended the NAHRO Tri-Chapter Legislative in Sacramento. Because there

NEW BUSINESS (continued)

was not a quorum to act on this matter the item was held over with the assurance that attendance at the conference could be brought back for favorable consideration of its ratification.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, AND SECONDED BY MS. SHELLEY THAT RESOLUTION NO. 81-80 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Mr. Glickman
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

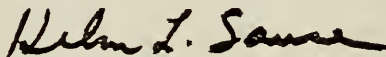
Mr. Porter

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Mr. Porter, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

Approved: August 20, 1980

PROCEEDINGS OF THE REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
8TH DAY OF APRIL 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 8th day of April 1980, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Parree Porter, Vice President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Joan-Marie Shelley

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and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend and Mary Rogers, Western Addition Project Area Committee (WAPAC); Michael Painter, Michael Painter and Associates; John Shooter, H. J. Shooter Company; Jo Julin, Environmental Science Associates, Inc.; Ron Kaufman, Ron Kaufman Companies; Aaron Rubino, Robert Becker, Hiram Smith, and John Belz, Friendship Associates; Frederick Brothers, Frederick Brothers and Associates; Allan Bergman, Aid to Retarded Citizens; Samuel Stuart, El Shabazz School; Elizabeth Jamerson and Jaime Jamerson, Jamerson Printing Company; Emerson Stafford, attorney representing the Jamersons; George Newkirk and Paul A. Harrell, ARC; John Jones, Satan and Associates; and Joanne Quan, Valerie Street, and W. C. Corbett, interested citizens.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Gerald Adams, San Francisco Examiner; and Michael Mewhinney, San Francisco Progress.

APPROVAL OF MINUTES

President Wexler commented that the summary form of minutes was generally satisfactory but requested that the speakers' names be noted. It was moved by Ms. Shelley, seconded by Mr. Porter, and unanimously carried that the minutes of the Regular Meeting of March 11, 1980, as distributed by mail to the Commissioners, be approved.

SPECIAL APPEARANCES

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 792-A, northeast corner of Gough and Grove Streets, to the San Francisco Parking Authority, Western Addition Approved Redevelopment Project Area A-2.

SPECIAL APPEARANCES (continued)

MOTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND
UNANIMOUSLY CARRIED THAT THIS MATTER BE CONTINUED TO APRIL 22, 1980.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The annual Performance Hearings in connection with the Community Block Grant Program in San Francisco will be held tonight at 7:30 p.m. in the Chambers of the Board of Supervisors in the City Hall. The Agency's exhibits illustrating its activities during the program year are on display in the City Hall and have been well received.
- (b) Hilltop Park in the Hunters Point project has received three awards: the Bay Public Works Award, the National Environmental Improvement Grand Award, and the Statewide Sweepstakes Award. As the Agency responsible for creating the park, the landscape architect, Mr. Michael Painter, and the contractor, Mr. A. J. Shooter, are present to present the trophy to the Agency in connection with the Sweepstakes Award. Mr. James Wilson, Area Director for Hunters Point and India Basin, introduced Messrs. Painter and Shooter, who presented the trophy to the Commissioners. President Wexler expressed the Agency's appreciation and urged everyone to visit the Hunters Point community to see the progress being made in the area.

At this time the meeting recessed to an executive session at 4:40 p.m. The meeting reconvened at 5:05 p.m. with the same roll call.

UNFINISHED BUSINESS

- (a) Resolution No. 87-80 authorizing the Executive Director to enter into exclusive negotiations with a developer for Parcel 785-A(1), 685-91 McAllister Street, Western Addition Approved Redevelopment Project Area A-2.

This item relates to exclusive negotiations for rehabilitation of a 24-unit building, plus ground floor commercial in Western Addition A-2. This building was offered with a selection criteria which specified that proposals from Certificate Holders would be given preference prior to proposals received from the general public. The offering criteria also indicated that selection would be based on consideration of the use of the building after rehabilitation.

This building first became a matter for public consideration when staff received unsolicited proposals for rehabilitation and retention of the structure. At that time it was determined that the building would be offered publicly for rehabilitation on a fixed price basis, with the selection of the developer to be based on the use for purposes that would be beneficial to the community. Mr. Hamilton indicated that this was outlined in the minutes of the Agency meeting of August 14, 1979 authorizing the public offering. At the time this matter was being discussed and prior to the decision to offer the building publicly, a number of persons representing tenants in the building appeared and expressed a desire to remain in the building, and also to acquire the building and undertake rehabilitation. Mr. Hamilton also noted that in the minutes of November 21, 1978 staff was requested by the Commission to discuss this potential purchase with the existing tenants and assist them in preparing a proposal,

UNFINISHED BUSINESS (continued)

if that seemed to be appropriate. Staff worked with the tenants to determine whether or not they had the fiscal capacity and organizational strength to become the developers of the building. Staff was directed to determine if the tenants had the capacity to rehabilitate the building, however, they failed to meet even the threshold requirement of providing the required deposit. Staff, however, believed that it was the desire of the Commission to continue the existing uses in the building.

There were nine responses to the offering and six of these were submitted by valid Certificate Holders. As indicated at the Agency meeting of March 25, 1980, those proposals were analyzed with the direction staff believed it had to retain, if at all possible, including the existing tenancies, particularly the school. After analysis by staff it was recommended that the Commission designate Friendship Associates for a 120-day exclusive negotiation period. That recommendation was based upon the determination that the developer was qualified and had sufficient financial resources, as well as having had discussed the needs of the existing tenants and working out a method of retaining the school. It was indicated by representatives of the school that the arrangement had not been finalized but it was potentially acceptable to both Friendship Associates and the school. At the Agency meeting of March 25, 1980 it was requested that the Commission be provided with summaries of discussions that the other developers had had with the school, and staff has received considerably more material which has been forwarded to the Commission. An evaluation of the material received indicated that essentially two proposals from Certificate Holders had been the most responsive to the criteria in the offering brochure. Mr. Hamilton indicated that the proposals from Friendship Associates and from Mrs. Elizabeth Jamerson should receive further consideration. Staff has recommended selection of Friendship Associates. The school representatives have also indicated that as a result of their discussions only Friendship Associates had provided a plan that would accommodate their program. After evaluating the materials submitted by the legal counsel for the Jamersons, there may be other acceptable alternatives. Mr. Hamilton indicated that he would like to hear comments from the principals in each of the development groups and a report on their recent discussions with representatives from the school.

Messrs. John Belz, Aaron Rubino, and Hiram Smith supported the designation of Friendship Associates indicating that they had started discussions with the school in November, 1979 and were continuing to work out details of an agreement for continuing the school in the building. They had also sent a registered letter to the Agency dated January 23, 1980 indicating the understanding they had reached with the school at that time. This agreement included provision of 1,800 square feet of ground floor space and 1,800 square feet of storage space at a charge of 25 cents per square foot for five years with an option to renew this agreement for an additional five years at half the current market rental rate.

President Wexler inquired whether Mr. Aaron Rubino of Friendship Associates had previously used a Certificate of Preference, and Mr. Gene Suttle, Area Director for Western Addition Area A-2, responded affirmatively noting that Mr. Rubino had used one of these.

Mr. Jaime Jamerson responded to Mr. Hamilton's inquiry regarding discussions with the school noting that they had been in discussions with the school since mid-September and it was agreeable that the school be kept in the building. They had also offered a 50 percent rental rebate that would be put into a

UNFINISHED BUSINESS (continued)

special fund for the school. This plan had been presented at the Western Addition Project Area Committee (WAPAC) review meeting and they had also stressed that continuation of the school and store were objectives he had endorsed.

Mr. Emerson Stafford, attorney for the Jamersons, stated that they had two Certificates, one Residential Certificate held by Elizabeth Jamerson, and one Commercial Certificate held by Jaime Jamerson which would be used for development rights for the building. President Wexler inquired about the amount of space that would be allowed for the school, and Mr. Stafford replied that the specific square footage had not been determined because there had been a problem in communicating with the school to determine its needs. However, there are eighteen students in the school and adequate space would be allowed for a school of that size with a 50 percent rental subsidy on the rent for five years, which would be provided by payment of \$400 per month with 50 percent put in a fund for the school to use in its program. In response to Mr. Hamilton's inquiry, they indicated that after the five-year period they would be willing to negotiate with the school.

A number of speakers spoke on behalf of their proposals including Mr. Frederick Brothers. Mr. Arnold Townsend of WAPAC reiterated WAPAC's official position in support of the Friendship Associates. Mrs. Mary Rogers of WAPAC spoke as an individual indicating her support of the Jamersons because their status as Certificate Holders and their willingness to use two Certificates was particularly noteworthy and because they had not previously used a Certificate and also because of Mrs. Jamerson's long participation in the community.

Mr. Rubino noted that he had lived in the community for many years and stressed that the rehabilitation work he had carried out at 1840 Turk Street had been successfully completed despite earlier criticism by staff. He reiterated that his group, Friendship Associates, intended to assist the school and to provide for the continuation of the food store in the building.

President Wexler summarized the criteria in the offering as follows:

- (1) Consideration will be given first to Valid Residential and Business Certificate of Preference holders before proposals from persons not having a Certificate of Preference. If there are no proposals from holders of Certificates of Preference, or a Certificate holder does not financially qualify, proposals from persons not holding such Certificates will be recognized.
- (2) Proposed use of the entire building after rehabilitation, as such use relates to the character of the building itself, to nearby properties, and to the residents of the Western Addition A-2 Project Area.
- (3) Evidence of financial capacity and qualifications to purchase the property and complete the necessary rehabilitation as required under the "Terms of Sale".

He noted that these established the basis for the selection process and stressed his belief that a public agency had to adhere to such rules. He noted that there was no reference in the selection criteria which required retention of existing tenants and stated that the Commission could not select or reject a proposal on the basis of accommodation of the tenants.

President Wexler noted that the selection process prohibited the Commission from considering other proposals as long as qualified certificate holders had responded to the offering. The Commission had to make a choice from among the certificate holders. He noted that among the factors to be considered was the previous uses of the certificates and the purpose for which the purchaser intended to buy the property. The Certificate of Preference Policy adopted in 1978 made it clear that in the

ISHED BUSINESS (continued)

future an individual could not receive more than one Certificate. However, it recognized that multiple Certificates could not be removed from persons who held them and that they would be eligible to use these Certificates. He believed priority should be given to those individuals who had not previously exercised their Certificates and the second factor was that consideration should be given on the use of the property for more than just investment purposes, then that person should have a higher priority than persons using their Certificates only for investment purposes.

Commissioners Glickman, Porter, Berk, and Shelley indicated their support of the criteria proposed by President Wexler. Ms. Shelley concurred that the proposals of Certificate Holders should take precedence over tenants who were not Certificate Holders, but she expressed concern that every attempt be made to serve the current occupants. She was also concerned whether the Commission had expressed a commitment or intent to keep the school. Mr. Hamilton indicated that at the Agency meeting of July 18, 1978, Commissioner Hannibal Williams had suggested that staff work with the school to assist it in preparing a proposal to purchase and renovate the building. He noted that there was no directive from the Commission on a special policy for continuance of the school that would take precedence over the established procedure.

President Wexler indicated his belief that the record was clear in the minutes of the January 2, 1979 Agency meeting which established a criteria for the public offering with a priority for selection among certificate holders. This included consideration of the validity of the certificate, the use of the building, and evidence of financial capability to carry out a \$.5 million rehabilitation effort. He noted that he favored selecting the Jamersons without imposing any conditions on them to negotiate with any tenant. Ms. Shelley and Mr. Glickman urged that workshops be held in the future on development proposals, particularly when there was a difficult selection to be made.

ADOPTION: IT WAS MOVED BY MR. PORTER AND SECONDED BY MR. LEE THAT RESOLUTION NO. 37-80 GRANTING ELIZABETH G. JAMERSON EXCLUSIVE NEGOTIATING RIGHTS FOR PARCEL 785-A(1) BE ADOPTED CONTINGENT UPON SURRENDER OF TWO CERTIFICATES OF PREFERENCE HELD BY THEM, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Porter
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

Mr. Hamilton indicated an expectation had been created that within the framework of the offering if a Certificate holder were found who was willing to keep the school that this would be left on the record.

In response to President Wexler's inquiry, Mr. Jamerson indicated that he and his mother intended to use two of their Certificates for this building. President Wexler expressed dissatisfaction that the Commission had established a review process for evaluation of the proposals received on this property which had not been followed by staff. Mr. Hamilton indicated that staff had been delayed by the need to

UNFINISHED BUSINESS (continued)

determine applicable codes for retention of the school which was important to an accurate evaluation of the proposals. Mr. Glickman urged use of workshops for consideration of such proposals in the future.

At this time, Mr. Glickman excused himself and left the meeting at 7:30 p.m.

RULE OF THE CHAIR: President Wexler indicated that subject to the objections of any Commissioner that the meeting would be recessed for ten minutes. There being no objection, it was so ordered. The meeting recessed at 7:35 p.m.

At this time, President Wexler excused himself and left the meeting at 7:35 p.m.

The meeting reconvened at 7:45 p.m. with Commissioners Berk, Blomquist, Lee, Porter, and Shelley present.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3735-C, 286 Second Street, to Ron Kaufman Companies, Yerba Buena Center Approved Redevelopment Project Area.

Resolution No. 93-80 authorizing execution of an agreement for disposition of land for improvements for private rehabilitation and other conveyance documents for Parcel 3735-C to Ron Kaufman Companies and ratifying publication of notice of public hearing, Yerba Buena Center project.

Acting President Porter opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3735-C, Yerba Buena Center.

Mr. Hamilton indicated that authorization is requested to enter into a land disposition agreement (LDA) with Ronald H. Kaufman for purchase and rehabilitation of the Planter's Hotel at 286 Second Street, Yerba Buena Center project. Mr. Kaufman was granted exclusive negotiating rights on September 25, 1979 for 120 days with a 60-day extension on January 16, 1980 to resolve a difference of opinion regarding the land appraisal, which has now been resolved. The LDA has been executed by Mr. Kaufman and forwarded to HUD for review and approval. This agreement differs from the standard form in that it requires the Agency to relocate the six Agency tenants and three businesses from the building within six months or the LDA can be terminated. Mr. Kaufman is given the right to appeal the valuation to the Assessment Appeals Board and if the property is destroyed after it is vacated to a degree that makes rehabilitation infeasible or the Agency does not convey the property after all conditions are met and the developer is not in default, then the Agency will reimburse Mr. Kaufman for out-of-pocket architectural and engineering fees not to exceed \$75,000 and for nonrefundable loan commitment fees up to \$30,000. All of these provisions are subject to the Department of Housing and Urban Development (HUD) approval. Mr. Kaufman intends to complete rehabilitation of the building by March 1982 and authorization to execute the LDA is recommended. There being no persons wishing to appear in connection with the matter, Acting President Porter declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 93-80 BE ADOPTED.

- (b) Consideration of authorizing the Executive Director to accept proposal for insurance coverage on three Agency-owned properties, Western Addition Area A-2 and Yerba Buena Center Approved Redevelopment Project Areas.

NEW BUSINESS (continued)

Authorization is requested to accept the L. Baker General Insurance Company's proposal for fire and vandalism insurance on the basis of the lowest of two proposals received for coverage on three Agency-owned properties, located at 1519-29 O'Farrell, which is the Agency's Western Addition A-2 site office, and 1695-97 Sutter, Western Addition A-2, and 222-244 Jessie Street in Yerba Buena Center for \$2,061.

Ms. Blomquist asked how these three buildings were selected and Mrs. Jane P. Hale, Assistant Executive Director for Finance and Administration, indicated that an effort was made to group the buildings by insurance termination dates to avoid seeking individual proposals for each.

MOTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT INSURANCE COVERAGE FOR THREE AGENCY-OWNED BUILDINGS IN WESTERN ADDITION A-2 AND YERBA BUENA CENTER PROJECTS BE AWARDED TO THE L. BAKER GENERAL INSURANCE COMPANY.

- (c) Consideration of SB-99 Program and related matters, Western Addition A-2 Approved Redevelopment Project Area.

RULE OF THE CHAIR: Acting President Porter indicated that subject to the objections of any Commissioner that this item be held for one week. There being no objection, it was so ordered.

- (d) Resolution No. 94-80 authorizing amendment to a personal services contract with Questor Associates, Western Addition Approved Redevelopment Project Area A-2.

Authorization is requested to amend the personal services contract with Questor Associates to delete the errors and omissions insurance required in the Agency's standard form. At the meeting of February 19, 1980, authorization was given to contract with Questor for preparation of feasibility studies for the Agency's SB-99 bond program in Western Addition A-2. Normally, errors and omissions insurance is required for personal services contracts, however, staff was informed and has verified with its insurance broker that for the type of services Questor provides there is no insurance regularly available. Enforcement of this requirement would necessitate Questor obtaining a specially designed policy at a very expensive premium. Staff has evaluated these factors and since the Agency's liability to the bond purchasers is expressly limited to the revenues, the standard indemnity provisions of the contract will sufficiently protect the Agency without requiring errors and omissions insurance. It is therefore recommended that this requirement be deleted from Questor's contract.

In response to Mrs. Rogers' inquiry about deleting the errors and omissions insurance, Mr. Hamilton indicated that it was to protect against professional mistakes and that under this contract such provision was unnecessary because the Agency is adequately covered under the standard indemnity provisions. The errors and omissions coverage for this type of contract is not regularly available and Questor would have to obtain a policy specifically designed at a very expensive premium. In the opinion of Agency General Counsel Leo E. Borregard, the Agency is adequately protected. Mrs. Rogers also requested information on the SB-99 bond funding mechanism, especially the different contracts entered

NEW BUSINESS (continued)

into to service this program, and Mr. Hamilton indicated that Mr. Suttle would provide this information. Ms. Berk inquired about the type of consultants who carry errors and omissions insurance, and Mr. Borregard replied that architects and engineers carry this type of insurance.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 94-80 BE ADOPTED.

- (e) Consideration of authorization to approve an additional insurance premium for Agency-owned properties, Western Addition Approved Redevelopment Project Area A-

Approval is requested to add \$4,793 to the insurance premium of the policy held by the Roosevelt Carrie Agency for Agency-owned properties located in the Western Addition A-2 area. This amount represents the annual premium effective March 7, 1980 and will cover the increased insurance needed for four buildings that are currently being rehabilitated. In addition, this increased premium includes coverage for six other buildings which the insurance has been cancelled on by the the California Fair Plan because these are substantially unoccupied or found to be unsafe by the insurance inspector. A credit of \$433 has been received for one other building that is to be demolished. All of these transactions result in the net increase of \$4,793 and it is recommended that this amount be paid to the Roosevelt Carrie Agency.

In response to Ms. Blomquist's inquiry about the status of the buildings on which the insurance had been cancelled, Mrs. Hale indicated that these were buildings to be rehabilitated but she would provide Ms. Blomquist with the schedule for their renovation.

MOTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT AN ADDITIONAL INSURANCE PREMIUM BE APPROVED FOR AGENCY-OWNED PROPERTIES IN WESTERN ADDITION APPROVED REDEVELOPMENT AREA A-2.

- (f) Resolution No. 95-80 authorizing the Executive Director to execute an agreement for legal services with Benjamin D. James, Jr., Hunters Point Approved Redevelopment Project Area.

RULE OF THE CHAIR: Acting President Porter indicated that subject to the objections of any Commissioner that this item would be continued for one week. There being no objection, it was so ordered.

- (g) Resolution No. 96-80 authorizing the Executive Director to execute a contract for an Environmental Impact Report/Statement, Rincon Point-South Beach Redevelopment Project.

Authorization is requested to execute a contract with Environmental Science Associates, Inc. (ESA) to prepare an Environmental Impact Report and Statement (EIR/S) for the Rincon Point-South Beach Redevelopment Project. On March 11, 1980 the Commission authorized negotiations of a contract with ESA for an EIR/S. These negotiations have now been successfully completed and a contract prepared for consideration. The firm has previously performed similar work for the Agency and City very competently and has also developed a positive affirmative action proposal for this work. ESA intends to subcontract 17 percent of the contract to two minority-owned firms, Samuel J. Cullers and Associates, for land use and visual aspects, and John Warren and Associates, for traffic and transportation studies. The firm also has the capacity to perform these services expeditiously, which is a crucial factor in keeping this project on

NEW BUSINESS (continued)

schedule. It is recommended that this contract be executed with ESA for an amount not to exceed \$75,000.

Ms. Blomquist recalled her previous comment that the EIR for Yerba Buena Center was not as creatively prepared as it could have been and noted that a month earlier Mr. Gerald Adams of the San Francisco Examiner had reported on the EIR completed for the Dayon Building, which she believed was an example of an EIR creatively written. She would like to have ESA do something equally creative. Ms. Jo Julin of ESA expressed her appreciation for Ms. Blomquist's remarks about the Dayon Building's EIR because ESA had also prepared that document.

ADOPTION: IT WAS MOVED BY MS. SHELLEY, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 96-80 BE ADOPTED.

- (h) Consideration of authorizing the Executive Director to accept a proposal for project liability insurance for redevelopment project areas.

RULE OF THE CHAIR: Acting President Porter indicated that subject to the objections of any Commissioner that this item be continued for one week. There being no objection, it was so ordered.

- (i) Consideration of authorization to pay the Agency's annual dues for membership in the National Association of Housing and Redevelopment Officials (NAHRO).

Authorization is requested to pay the Agency's annual dues for membership in NAHRO for \$1,120. NAHRO has been an effective influence in formulating national policy and procedure and has also been very helpful in obtaining HUD rulings and waivers beneficial to the Agency. It also provides executive searches and screening services, such as the Agency now needs. HUD recognizes the value of NAHRO by approving payment of the organizational dues from Federal funds.

MOTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT \$1,120 BE PAID TO NAHRO FOR THE AGENCY'S ANNUAL DUES.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned to an executive session. The meeting adjourned at 8 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

APPROVED: April 22, 1980

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PROCEEDINGS OF THE REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
15TH DAY APRIL 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 15th day of April 1980, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Parree Porter, Vice President
Dian Blomquist
Melvin D. Lee
Joan-Marie Shelley

DOCUMENTS DEPT.

and the following was absent:

MAY 16 1980

Charlotte Berk

SAN FRANCISCO
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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Maria Galatti, Vida Foundation; Mary Rogers and Arnold Townsend, Western Addition Project Area Committee (WAPAC); Stewart Moir, Johnson & Higgins; Lavolia Baker, L. Baker Insurance; and Roosevelt Carrie, R. Carrie Agency.

REPORT OF THE EXECUTIVE DIRECTOR

- (a) A hearing has been calendared today by the President of the Board of Supervisors, John Molinari, before the Planning, Housing, and Development Committee (PH&D) on the Northeastern Waterfront Survey Area. Redmond Kernan, Deputy Executive Director, and Frank Cannizzaro, Project Director, are representing the Agency. It is not known what issues are to be discussed and a definitive report of the matter will be made.
- (b) The scheduled mailing of the Official Statement for the SB-99 bond program will proceed on April 18, 1980 as originally discussed.

NEW BUSINESS

- (a) Resolution No. 97-80 granting an extension of time for exclusive negotiations with Vida Foundation and Gustav Erpen for Parcel J-1, Diamond Heights.

Authorization is requested to extend exclusive negotiating rights to Vida Foundation & Gustav Erpen to July 15, 1980 for Parcel J-1 located on Diamond Heights Boulevard near Duncan Street in Diamond Heights. In February, 1980, HUD accepted the Vida application for processing the 20 units to serve the handicapped. A firm commitment is expected in late May and six to eight weeks beyond that date are needed to complete the closing. This three-month extension is expected to provide sufficient time to accomplish the remaining preconstruction processing and preparation of related documents. Authorization for this extension is recommended.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. PORTER AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 97-80 BE ADOPTED.

- (b) Resolution No. 98-80 awarding Site Improvement Contract No. DH-1FR to Tamal Construction Company for median landscaping, Diamond Heights.

Award of Site Improvement Contract to the lowest of two bidders, Tamal Construction Company, for landscaping of the median strip along Diamond Heights Boulevard in the amount of \$37,407 is recommended. This contract will include planting shrubs, installing irrigation lines, and paving the median areas with river-washed rocks. In April, 1979, the Agency approved Letter Agreements with Department of Public Works and the Water Department to provide for the future irrigation system which was necessary before the Agency could bid the contracts for the landscaping work. This has now been completed and the Department of Public Works has confirmed that it will accept the improvements for maintenance when the landscaping is installed. Only two contractors submitted bids and staff contacted five other firms that picked up bid documents and it appears that they did not bid as a result of being too busy or not taking time to prepare bids. The contract was bid on the basis of two alternatives, Alternate A provided for rockpaving and Alternate B required a combination of landscaping and stamped concrete paving. The Tamal firm submitted the low bids on both alternates and it is recommended by Agency's Landscape Consultant, Michael Painter, and the Diamond Heights Neighborhood Association that the contract be awarded on the basis of Alternate A. Tamal's Affirmative Action and Safety program have been reviewed and are acceptable. Authorization is recommended to execute a contract with Tamal Construction Company on the basis of Alternate "A" for an amount not to exceed \$37,407.

Ms. Dian Blomquist inquired if this contract and the development by Vida Foundation would complete the work in Diamond Heights and Demetrio Salvador, Chief of Engineering, replied affirmatively. Mr. Porter inquired about maintenance of these improvements, and Mr. Salvador responded that the City will maintain the median strips and the costs will be paid out of City funds. President Wexler inquired about the engineer's estimate exceeding the lowest bid and Mr. Salvador replied that the estimate was prepared by staff according to current prices and the lower bid may be attributable to a decrease in work.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 98-80 BE ADOPTED.

- (c) Resolution No. 95-80 authorizing the Executive Director to Execute an Agreement for Legal Services with Benjamin D. James, Jr., Hunters Point.

RULE OF THE CHAIR:

This item was continued for one week.

- (d) Resolution No. 99-80 authorizing the Executive Director to execute a lease with the Port of San Francisco for site office space for the Rincon Point-South Beach Redevelopment Project.

Authorization is requested to execute a lease with the Port of San Francisco for space to accommodate the site office staff for the Rincon Point-South Beach Redevelopment Project. During the survey phase of the Northeastern

NEW BUSINESS (continued)

Waterfront area, the Port contributed space for the joint City Planning-Redevelopment-Port staff; however, the survey phase has now been completed and the Agency is undertaking a definitive redevelopment project. It is necessary to lease a site office facility. In reviewing the cost of office space in the area or even on the "water side" of the Ferry Building, staff has determined that Room 304 in the Ferry Building, which is sufficient to accommodate five people, is the most reasonably priced space available. This 631-square-foot room will be rented from the Port for a total of \$499 per month, plus the cost of two parking spaces at \$82 per month for a total of \$581 per month. Funds are available in the project budget and authorization is recommended to enter into a nine-month lease with the Port for an amount not to exceed \$600 for Room 304 or space comparable in terms of floor area and rental rate.

Ms. Blomquist inquired if staff could work out of central office and Mr. Hamilton replied that staff now needed to be accessible in the area if they were to be effective.

ADOPTION: IT WAS MOVED BY MS. SHELLEY, SECONDED BY MR. LEE AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 99-80 BE ADOPTED.

- (e) Consideration of authorizing the Executive Director to accept proposal for Project Liability Insurance for Diamond Heights, Embarcadero-Lower Market, Hunters Point, India Basin, Western Addition A-2, and Yerba Buena Center Redevelopment Project Areas.

Authorization is requested to approve Johnson & Higgins' proposal of \$68,750 covering Project Liability Insurance of \$1,000,000 for Diamond Heights, Embarcadero-Lower Market, Hunters Point, India Basin, Western Addition A-2, Yerba Buena Center, and a Western Addition A-2 mini park. Four proposals were received for this insurance coverage and the Johnson & Higgins firm submitted the lowest quotation. This firm is the current broker for this policy and the Agency's experience with them has been very good. However, concern has been expressed by smaller insurance offices that they cannot equitably compete with such large brokers. Staff has evaluated these concerns and has found that the state uses specifications which provide greater parity among all bidding firms.

At this time staff is redesigning specifications to make them more equitable. The state procedure will be used as applicable to the Agency's coverage and staff will also work with the Minority Brokers Association and Agency General Counsel Leo E. Borregard will develop an alternate approach which will be presented at the appropriate time as it relates to other proposals. Staff is recommending in this case that the proposal of Johnson and Higgins, who responded under the terms of the current specifications, be approved for this insurance coverage.

- Mr. Roosevelt Carrie of the R. Carrie expressed concern about smaller agencies being able to compete with the larger brokers, such as Johnson and Higgins. He also stated the he agreed with the recommendations made by Mr. Hamilton to achieve better parity among all bidders. President Wexler requested that Mr. Carrie supply a list of minority brokers in San Francisco to the Agency and Mr. Carrie indicated that he would do so.

NEW BUSINESS (continued)

MOTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT THE EXECUTIVE DIRECTOR BE AUTHORIZED TO ACCEPT THE PROPOSAL FOR PROJECT LIABILITY INSURANCE FOR DIAMOND HEIGHTS, EMBARCADERO-LOWER MARKET, HUNTERS POINT, INDIA BASIN, WESTERN ADDITION A-2, AND YERBA BUENA CENTER.

- (f) Resolution No- 100-80 travel authorization for the Executive Director to attend NAHRO'S Southern California Chapter meeting on April 24, 1980.

Mr. Hamilton requested authorization to attend a one-day NAHRO Southern California Chapter meeting in Santa Monica on April 24, 1980. All expenses will be paid by the NAHRO-Pacific Southwest Regional Council. Mr. Hamilton noted that he would be attending in his capacity as President of the Pacific Southwest Regional Council and as a participant in the workshop entitled "Affordable Housing" along with members of the Governor's Committee on Affordable Housing.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 100-80 BE ADOPTED.

- (g) Resolution No. 101-80 travel authorization for a Rehabilitation Supervisor to travel to Denver, Colorado to attend the Community Rehabilitation Training Center's course on Strategies for Successful Contractor Recruiting on May 18, 1980.

Authorization is requested for Frank Pizzinelli, Rehabilitation Supervisor, to travel to Denver, Colorado to attend a three-and-one-half day course offered by the Community Rehabilitation Training Center "Strategies for Successful Contractor Recruiting." The cost of the course and related travel expenses will not exceed \$750 and the sessions will cover many of the mechanisms needed to attract and keep good contractors. Funds are available and this travel authorization is recommended because it will have direct applicability for the Agency's construction and rehabilitation projects.

Mary Rogers requested that information on courses such as this be sent to Western Addition Project Area Committee (WAPAC), and Mr. Hamilton indicated that the names and addresses of organizations would be provided so that Ms. Rogers could have her name put on their mailing lists.

President Wexler inquired what skills would be acquired that would be helpful to the Agency since the course appeared to concern finding contractors. Mr. McClure recalled that the Commission and staff have been concerned with the same contractors getting the contracts and that the bids have recently exceeded the estimates for the work and it was anticipated this course would provide suggestions and ways to make contracts more attractive so more contractors would bid on the jobs. President Wexler inquired if staff attempted to learn why more bids were not received and Mr. McClure replied that all contractors picking up bid packets were contacted and were told that either contractors were too busy on other jobs or the bidding process was too complicated.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 101-80 BE ADOPTED.

MATTERS NOT ON THE AGENDA

- (a) Mary Rogers commented that a hearing was being conducted in Los Angeles this weekend by the Department of Housing and Urban Development (HUD) soliciting comments on the "Residential Mobility Study." This study concerns location of housing for the low income and she urged that a person from the Agency attend. Mr. Hamilton indicated that the Agency had also received information on the hearing but after evaluating its purpose which was to obtain community input on the study, it was decided not to send anyone. He did believe that there should be community representation.

The meeting recessed at 5:20 p.m. for five minutes.

The meeting reconvened at 5:30 p.m. with the same roll call for Item 9 h.

- (h) Workshop on the Bayview Industrial Triangle proposed Redevelopment Plan.

This workshop on the Bayview Industrial Triangle outlines the provisions to be incorporated in the proposed Redevelopment Plan and to discuss plans for rehabilitation and new development, public improvements, scheduling, budget and the environmental review procedure for this area. The Commissioners have previously received information and this will provide an opportunity to discuss that material and answer questions prior to calendaring the Redevelopment Plan for transmittal to the Board of Supervisors.

Tom Conrad, Chief of Planning and Bill Haskell, Planner, outlined the activities to be carried out in this 20.32 acre area. They used maps to show the vacant parcels which may be combined and redeveloped. Also shown on the maps were properties that may require mandatory rehabilitation on Third Street and properties to be voluntarily rehabilitated throughout the project, as well as sites for new development. Mr. Conrad noted that consideration for referral to the Board of Supervisors of the Redevelopment Plan will be calendared for the Agency meeting of April 29, 1980. The preliminary estimated cost for the project is \$5-6 million and it is expected to require seven years to complete.

President Wexler requested that the Commission be provided with projections of the public benefit to be realized from the project costs. Mr. Hamilton responded that these would be provided. President Wexler also suggested that a tour of the proposed project be arranged for the Commission before the matter is calendared for action. All the Commissioners except Mssrs. Lee and Porter indicated that such a tour would be helpful.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Glickman and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:20 p.m.

Respectfully submitted,

Helen L. Sause
Secretary

Approved: April 22, 1980

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PROCEEDINGS OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
18TH DAY OF APRIL 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a special meeting at 939 Ellis Street in the City of San Francisco, California at 12:30 o'clock p.m. on the 18th day of April, 1980, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Parree Porter, Vice President
Charlotte Berk
Dian Blomquist

DOCUMENTS DEPT.

and the following were absent:

Joan-Marie Shelley
Rubin Glickman
Melvin D. Lee

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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Claude W. Mitchell, Bushmoor Associates; Terry Comerford and Bruce Rothenberg, Blyth Eastman Paine Webber; Joseph Skiffer, Bushmoor; Ken Jones, Jones, Hill, Hall and White.

NEW BUSINESS

- (a) Consideration of incorporation of the Bank of America's Irrevocable Letter of Credit providing additional security for the payment of the annual principal and interest due on the bonds allocable to the Opera Plaza development; the Bank of America as co-managing underwriter with Blyth Eastman Paine Webber, Inc.; and authorizing the Executive Director to make necessary changes in the Preliminary Official Statement to reflect the foregoing, in connection with the San Francisco Redevelopment Agency's Residential Mortgage Revenue Bonds, Issue of 1980 for Western Addition A-2. Such approval is based on obtaining assurances regarding a positive ruling from the Comptroller of the currency satisfactory to the Executive Director.

Mr. Hamilton recalled that staff had previously indicated that discussions were being held for the Opera Plaza, Sapunar and Duering, and Bushmoor projects and that these discussions could result in the need for further consideration and action. He noted that staff now had a proposal from the bank which necessitated the Commissioners' consideration.

NEW BUSINESS (continued)

Ms. Judith Hopkinson, Director of Development, indicated it was anticipated that the process of marketing the bonds could be started today or tomorrow. The program includes Opera Plaza, Sapunar and Duering, and Bushmoor projects. The change in the financing mechanism is the Bank of America's proposal to provide a Letter of Credit, which would have an advantageous effect on the interest rate for the bond issue and the rating from the rating services. It is proposed that language be added to the Official Statement to accommodate this change.

Terry Comerford, Blyth Eastman Paine Webber, indicated that the Letter of Credit would apply only to the Opera Plaza Development. This means having a 100 percent Letter of Credit for 85 percent of the total units to be funded pursuant to the bond issue. There is a certain exposure in that the Letter of Credit would only apply to the mortgages for Opera Plaza and if a problem developed in the payment of mortgages originated for the other two developments the Bank Letter of Credit could not be drawn upon to cover the resultant shortage. However, Mr. Comerford indicated that in such situation it was anticipated that the 15 percent bond reserve fund would be available to cover such an occurrence.

In response to Joseph Skiffer, Bruce Rothenberg of Blyth Eastman Paine Webber stated that the Letter of Credit was from the Bank to the Agency and the Agency would pay the fee to the bank for the Letter of Credit, it would not be paid by any individual. Ms. Blomquist inquired about the source of the \$50,000 fee, and Ms. Hopkinson noted that it would be paid out of bond funds. In response to President Wexler's inquiry, Ms. Hopkinson responded that all the developers had agreed on this arrangement. Messrs. Comerford and Rothenberg indicated that this arrangement placed the Agency's bonds in a more favorable marketing position. They did not believe the Agency should wait because the market could change rapidly.

MOTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK AND UNANIMOUSLY CARRIED THAT THE INCORPORATION OF THE BANK OF AMERICA'S IRREVOCABLE LETTER OF CREDIT AS ADDITIONAL SECURITY FOR THE PAYMENT OF A PORTION OF THE PRINCIPAL AND INTEREST DUE ON THE BONDS ALLOCABLE TO THE OPERA PLAZA DEVELOPMENT AND INCLUSION OF THE BANK OF AMERICA AS CO-MANAGING UNDERWRITER WITH BLYTH EASTMAN PAINE WEBBER, INC. BE APPROVED AND THE EXECUTIVE DIRECTOR AUTHORIZED TO MAKE THE NECESSARY CHANGES IN THE PRELIMINARY OFFICIAL STATEMENT TO REFLECT THE FOREGOING IN CONNECTION WITH THE SAN FRANCISCO REDEVELOPMENT AGENCY'S RESIDENTIAL MORTGAGE REVENUE BONDS, ISSUE 1980, FOR WESTERN ADDITION A-2, CONDITIONED UPON OBTAINING ASSURANCES REGARDING A POSITIVE RULING FROM THE COMPTROLLER OF THE CURRENCY SATISFACTORY TO THE EXECUTIVE DIRECTOR, AND ON ON ROLL CALL THE FOLLOWING VOTE "AYE":

Ms. Berk
Ms. Blomquist
Mr. Porter
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

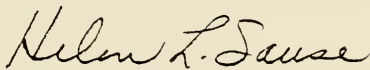
None

NEW BUSINESS (continued)

The President thereupon declared that the motion carried.

The Commissioners left the meeting at 1:30 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Helen L. Sause".

Helen L. Sause
Secretary

Approved May 27, 1980

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Minutes

PROCEEDINGS OF THE REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
22ND DAY OF APRIL 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 p.m. on the 22nd day of April 1980, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Howard M. Wexler, President
- Parree Porter, Vice President
- Charlotte Berk (joined the meeting at 4:45 p.m.)
- Rubin Glickman
- Melvin D. Lee
- Joan-Marie Shelley

DOCUMENTS DEPT.

and the following as absent:

- Dian Blomquist

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The President declared a quorum was present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Arnold Townsend, Essie Collins, Benny Stewart, Western Addition Project Area Committee (WAPAC); Tony Garcia, Dimasalang House; John Elberling, TODCO; Linda Hallen, Isabel Ugat, Mary Leong, Betty Cutrara, Sandy Moss, South of Market Coalition; Otto Albright, Albright Construction Company; W. Ballard, and Ruby Ballard, Ballard Construction Company; Richard Hiscocks, Orrick Herrington; Terry Comerford, Blyth Eastman Paine Webber; Larry Long, Ben Padua, interested citizens.

Representing the press were Gerald Adams, San Francisco Examiner; Marshall Kilduff, San Francisco Chronicle, and Michael Mewhinney, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Shelley, seconded by Mr. Porter, and unanimously carried that the minutes of the Regular Meetings of April 3 and April 13, 1980 and the Executive Meetings of April 1 and April 3, 1980, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) At the Agency meeting of April 13, 1980 it was reported that it was the intent to mail the SB 99 Bond Offering on Friday, April 18, 1980 assuming the remaining matters concluded were completed. It was not possible to proceed with the mailing because these issues were not resolved. Staff has now been advised by the underwriters and Bond Counsel that the SB 99 bond materials will be ready to mail this week. The market appears to have improved during this period. Staff will keep the Commission advised and will proceed as quickly as possible.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) An Agency employee, Kevin B. Williams, Affirmative Action Specialist, is to be commended for saving a life by employing a life-saving technique which he acquired through training courses presented to Agency staff in cardio-pulmonary resuscitation procedures. While Mr. Williams was dining on March 15, 1980, he noticed a nearby diner, Mrs. Eunice Koehler, having apparent respiratory difficulty. He applied the "thrust" technique of resuscitation which dislodged the food that blocked the air passage and restored her breathing. Mr. Hamilton stated that this conduct merits special recognition and recommended adoption of the following resolution:

BE IT RESOLVED that the Redevelopment Agency of the City and County of San Francisco does hereby commend Kevin B. Williams who through alert and meritorious conduct on March 15, 1980 successfully employed life-saving techniques in rendering aid to Mrs. Eunice Koehler of Union City, California, and in so doing brought credit upon himself and the Agency.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 108-80 BE ADOPTED.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 749-A, southwest corner of Webster and Eddy, to Jessie L. Abrams, Western Addition A-2.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 749-A, Western Addition A-2.

Resolution No. 102-80 authorizing execution of Agreement for Disposition of Land for Private Development and other conveyance instruments in connection with the sale of Parcel 749-A to Jessie L. Abrams, approving the disposition value and ratifying the publication of Notice of Public Hearing, Western Addition A-2.

Authorization is requested to execute an Agreement for Land Disposition with Jessie L. Abrams for a 4,750-square-foot parcel located on the southwest corner of Webster and Eddy Street and approve the disposition price of \$9,200. This parcel which was part of Offering 18 and is for development of an 8-unit market-rate rental apartment consisting of two 2-bedroom units and six 1-bedroom units. The developer was granted Exclusive Negotiation rights on February 20, 1979 which were extended to January 22, 1980. The Land Disposition Agreement (LDA) schedule calls for construction to commence by March 15, 1981 and with completion proposed by March, 1982. The developer believes that it is economically infeasible to construct the building without SB-99 financing and this is addressed by a provision in the LDA that the Agency has 180 days after the LDA is executed to provide this financing. If this is infeasible the developer will be given a 30-day written notification to terminate or submit an alternate proposal which proposal may be for market-rate condominiums which would be subject to the Agency's profit controls. If no agreement between the developer and the Agency is reached on the alternate proposal and profit control program in 60 days after submittal, the Agency may terminate the LDA. WAPAC has approved this proposal.

NEW BUSINESS (continued)

Mrs. Mary Rogers, Western Addition Project Area Committee (WAPAC), inquired about the application of the SB-99 Program to the Abrams' development, and Mr. Hamilton indicated that this development did not qualify for inclusion in the current SB-99 Bond Issue. Staff has been advised that it will qualify for bond funds under other criteria, and staff will be trying to secure financing through a subsequent bond issue for this and similar projects.

There being no further persons wishing to appear in connection with this matter the President declared the public hearing closed.

Mr. Lee inquired if there was a way to secure SB-99 financing in less than 180 days, and Ms. Judith Hopkinson, Director of Development, responded that even with 180 days it was difficult to complete the necessary actions and under the criteria for these developers to qualify, all of them must be in one issue. Mr. Hamilton indicated that if any one of the developers is seriously deficient, then a decision may have to be made to exclude that developer. President Wexler inquired if SB-99 did not go forward, whether the alternate proposal be calendared for consideration by the Commission and Mr. Hamilton replied affirmatively. President Wexler noted that there had been no extension for this developer since January 22, 1980, and Ms. Hopkinson indicated that that was correct and that the Commission had been informed of this lapse in the schedule. She also noted that the developers had signed the LDA for the property. President Wexler requested that in the future when exclusive negotiations are to expire the matter is to be calendared for the Commission's consideration and provide an opportunity for public input. This procedure will give the Commission the option of terminating developers where there is no appropriate understanding. All of the Commissioners concurred with this policy.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 102-80 BE ADOPTED.

- (b) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 724-A(1), southwest corner of Webster and O'Farrell, to Alan Okamoto and Giichi Sakurai, Western Addition A-2.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 724-A(1), Western Addition A-2.

Resolution No. 103-80 authorizing execution of Agreement for Disposition of Land for Private Development and other conveyance instruments in connection with the sale of Parcel 724-A(1) to Alan Okamoto and Giichi Sakurai, approving disposition value and ratifying the publication of Notice of Public Hearing, Western Addition A-2.

Authorization is requested to execute a Land Disposition Agreement (LDA) with Messrs. Okamoto and Sakurai for a 3,169-square-foot parcel located at the southeast corner of Webster and O'Farrell Streets in the Western Addition for a price of \$6,600. The developers plan to build four market-rate rental units with ground floor parking which have 2 bedrooms and 1-1/2 baths. The developers were granted Exclusive

NEW BUSINESS (continued)

Negotiation Rights February 20, 1979 and was also granted an extension on November 27, 1979 because the Department of Housing and Urban Development (HUD) had not yet approved the Agency's basic form of LDA as revised. The LDA was signed December, 1979; however, a delay in completion of the developers' partnership agreement necessitated postponing calendaring the matter for consideration. The LDA schedule requires construction to commence on January 1, 1981 and completion on January 2, 1982. The developer has indicated that it will be economically infeasible to construct these units as rentals without using SB-99 financing; therefore, within 180 days after execution of the LDA the developer will be given notification of the availability of such financing. If it is unavailable, the developer will be allowed 30 days to terminate or submit an alternate financing proposal. If no agreement between the developer and Agency is reached within this period, the Agency may terminate the LDA. The developer and Agency must agree on the alternate proposal and profit controls program within 60 days or the LDA is terminated. WAPAC has reviewed and endorsed this proposal, and it is recommended that authorization be granted to enter into an LDA with Messrs. Okamoto and Sakurai.

Mrs. Rogers, WAPAC, inquired as to whether the 180 day period the Agency has to obtain SB-99 financing for the developer could be extended because she was concerned that this was not enough time due to the tight money situation. President Wexler indicated that if appropriate, an extension would be considered.

There being no further persons wishing to appear in connection with this matter the President declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 103-80 BE ADOPTED.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that the meeting be recessed to an Executive Session for ten minutes at 5 p.m. There being no objection, it was so ordered. The meeting reconvened at 5:15 p.m. with the same roll call.

- (c) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 792-A, northeast corner of Gough and Grove, to the Parking Authority, Western Addition A-2. This public hearing was continued from the meeting of April 8, 1980.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 792-A, Western Addition A-2.

Resolution No. 104-80 authorizing execution of Agreement for Disposition of Land for Development by a Public Body and other conveyance instruments in connection with the sale of Parcel 792-A to the Parking Authority, approving the Disposition Value and ratifying publication of Notice of Public Hearing, Western Addition A-2.

Agreement for Disposition of Land (LDA) with the Parking Authority is recommended for the parcel located at the northeast corner of Grove and Gough Streets, Western Addition A-2 at the disposition price of

NEW BUSINESS (continued)

\$333,000. On November 29, 1977 Exclusive Negotiation rights were granted to the Parking Authority for development of public parking garage which will serve the Performing Arts Center. Subsequently delays were incurred because of lawsuits filed by the Pride Foundation and WAPAC. The courts have now determined these suits to be meritless and the LDA is now ready for consideration. The four buildings on the site are vacant and a demolition contract for these buildings will be calendared for consideration by the Commission at the end of June or early in July. Although litigation has caused the construction to be delayed and inflated costs beyond those estimated in 1977, the Parking Authority believes its authorized bond issue will still permit it to finance construction of the garage. The Parking Authority proposes to build a four-story, 600-space public parking garage and has also expressed a commitment to use its best efforts to develop ground floor retail commercial space if economically feasible and approved by bond counsel. The LDA schedule has been amended from the published copy because of the City's loss of bond rating has delayed the original bond bid date from June 11, 1980 to September 10, 1980. The new schedule for commencement of construction is 30 days after conveyance, which can be no later than December 31, 1980 with a completion of construction 24 months after conveyance. Authorization to execute this LDA is recommended.

Mr. Hamilton requested Agency General Counsel to speak to the matters specifically addressed in the amendments to the LDA and Mr. Borregard recommended making four changes in the published copy of the LDA. The first is Section 1.04 to delete the reference to the parentheses "and ground floor commercial to be developed later at the option of the developer," and substitute the language "the developer is to use his best efforts to develop ground floor commercial where economically feasible and approved by Bond Counsel." The second and third are changes in the schedule for conveyance of the site which the LDA now specifies July 30, 1980. The schedule also requires demolition to be accomplished by June 30, 1980 and this is to be modified to require "Agency demolition to be completed by the date of delivery of the bonds." That change also requires a change in Section 3.01 relative to the Agency's obligations, prior to conveyance, where there is presently a June 1, 1980 date, that date should also be changed to "by date of delivery of the bonds."; the last change is in the conveyance date.

Mrs. Mary Rogers indicated her personal opposition to the demolition of the existing housing on this site for continuation of a parking garage. Mr. Arnold Townsend, WAPAC, inquired if it is possible to execute an LDA for a site that is not cleared, and Mr. Borregard replied affirmatively noting that the Agency often did so.

There being no further persons wishing to appear in connection with this matter the President declared the public hearing closed. President Wexler commended the Parking Authority and particularly Ms. Margaret Brady, Executive Director of the Parking Authority, on their commitment to provide ground floor commercial when it was economically feasible to do so and inquired about the approval of Bond Counsel needed in order to approve the ground floor commercial. Richard Hiscocks, Attorney, Orrick, Herrington, responded that a provision for bond counsel approval is necessary in the event that if commercial facilities are developed on the ground floor of a structure, a ruling may be necessary to determine if such a use would cause the financing through tax-exempt

NEW BUSINESS (continued)

securities may become taxable, if certain provisions are not made. A requirement of the Internal Revenue Code is that not more than 25 per cent of the facility be used for purposes and the method by which the 25 percent requirement is calculated is dependent on the facts existing at the time the commercial development was placed.

President Wexler also inquired about the timing of the demolition prior to the sale of bonds, and Mr. Borragard replied that demolition would have to be completed by date of delivery of the bonds, but it could be specified that it would not commence until construction bids are received and it is determined at that time that bonds can be sold based on the bids received. In order to provide a cleared site by the time bonds are delivered it is necessary to start demolition as soon as the bids for construction of the garage are received. This demolition could commence on the non-residential building and if the bonds are to finance the garage are successfully sold the demolition of the remaining residential buildings could be carried out. President Wexler stressed his concern that the rehabilitable housing not be demolished until the Agency is assured that the garage will be constructed. Terry Comerford, Blyth, Eastman, Paine, Webber, replied that he was 85 per cent sure that the bonds would be sold and that any delay in delivery of the site would cost the Parking Authority approximately \$40,000 per month. He also stated that the amount of the construction bids would be known and if these were not acceptable then the firm would not recommend proceeding with the bond sale. President Wexler inquired about the potential rehabilitation of the building at 330 Grove Street if the Parking Authority determined it would not proceed with the garage, and Mr. Hamilton replied that this building would be scheduled for demolition. Mr. Hamilton indicated that the "Notice to Proceed" for this contract would specify that demolition would not commence on the buildings at 340, 350, 360 Grove Street until the Agency is advised that construction bids have been received which are acceptable to the Parking Authority and the Authority is committed to proceeding with the bond sale to finance the garage. Ms. Berk recalled that she had previously opposed this matter and that she would now vote in support of it because the demolition would proceed only if the garage was actually to be constructed.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. GLICKMAN THAT THE PROPOSED CHANGES BE INCORPORATED IN THE LDA WITH THE PARKING AUTHORITY AND THAT THE AUTHORITY TO DEMOLISH THE RESIDENTIAL BUILDINGS WOULD BE SUBJECT TO THE ADVICE OF THE CITY'S BOND COUNSEL, BLYTH, EASTMAN, PAINE, AND WEBBER, THAT THE BONDS FOR THE PARKING GARAGE WOULD BE SOLD, RESOLUTION NO. 104-80, BE ADOPTED AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Mr. Glickman
Mr. Lee
Mr. Porter
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

The President thereupon declared that the resolution carried.

NEW BUSINESS (continued)

- (d) Resolution No. 105-80 authorizing rejection of all bids received for Demolition Contract No. 71-R for demolition of 330, 340, 350, and 360 Grove, Western Addition A-2.

The rejection of all demolition bids received for demolition of four buildings at 330, 340, 350, and 360 Grove Street is recommended. This will clear the site for construction of the Performing Arts Center garage. The bids for this demolition were received on February 25, 1980 in accordance with the Parking Authority's anticipated construction schedule, however, as indicated financing for the garage has been delayed. In addition the low bidder did not have an appropriate license to perform this work. It is recommended that all bids be rejected due to the temporary delay in financing of the facility and staff be authorized to readvertise this demolition contract about June 1, 1980.

Mrs. Mary Rogers expressed concern about the timing of the demolition and President Wexler indicated that no demolition would occur until construction bids had been received and a determination is made on whether the bonds could be successfully sold based on those bids. Mrs. Rogers was also concerned about the effectiveness of the City's Affirmative Action Program and Mr. Mills replied that the Agency would be meeting with the Parking Authority and they would be required to abide by the Affirmative Action regulations of the Agency. Mr. Larry Long expressed his belief that the 330 Grove Street building met code requirements and could be renovated for housing.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 105-80 BE ADOPTED TO INCLUDE AUTHORIZATION TO READVERTISE THIS CONTRACT.

At this time Mr. Glickman left the meeting at 6:15 p.m.

- (e) Resolution No. 106-80 authorizing rejection of all bids submitted for Agency Renabilitation of seven properties, 1939-65 O'Farrell, Western Addition A-2.

Authorization is requested to reject all bids received for rehabilitation of seven buildings located at 1939-65 O'Farrell which are part of the Agency's condominium program. The staff estimate for this work was \$760,000. On March 3, four bids were received with Albright Construction submitting the low bid of \$825,406, however, it was discovered that the contractor's license for the firm was inactive at the time of the bid which disqualified the bid. The second low bid of \$969,923 is \$140,000 higher than the low bid therefore it is recommended that all bids be rejected and that staff be authorized to rebid this contract.

Arnold Townsend, WAPAC, opposed the rejection of bids. He believed that there was a valid low bid submitted by Ballard Construction Co. which should be considered.

Otto Albright, Albright Construction Co., indicated that he was unaware his license was inactive but this did not make him an incompetent contractor. He noted that his license was activated within a few days of the bid opening and he would like the opportunity of rebidding the contract. Mr. Lee inquired how long the firm's license had been inactive and Mr. Albright replied since 1974.

NEW BUSINESS (continued)

Mr. W. Ballard, Ballard Construction Co., expressed his belief that the Albright bid was invalid and that rebidding would not save \$140,000.

In response to President Wexler's inquiry, Mr. Hamilton indicated that bids were recommended for rejection for two reasons, an invalid license by the low bidder and the spread between the next low bid and staff's estimate of \$290,923. President Wexler inquired if it would have been recommended to award to the second low bidder if that bid had been close to staff's estimate and Mr. Hamilton answered affirmatively.

Mr. Porter inquired if Mr. Ballard had previously been a successful bidder for the Agency and Mr. Ballard replied affirmatively.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, THAT THIS RESOLUTION NO. 106-80 BE ADOPTED AND ON ROLL CALL THE FOLLOWING VOTED "AYE"

Mr. Lee
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

Mr. Porter

AND THE FOLLOWING ABSTAINED:

None

The President thereupon declared that the resolution carried.

- (f) Consideration of selecting an Insurance Carrier in connection with the SB-99 Program, Western Addition A-2.

This item was continued for one week.

- (g) Resolution No. 95-80 authorizing the Executive Director to Execute an Agreement for Legal Services with Benjamin D. James, Jr., Hunters Point.

It is requested that staff enter into an agreement with Benjamin D. James, Jr. for services in connection with litigation involving the Chet C. Smith Company. The proposed agreement is in an amount not to exceed \$30,000 at an hourly rate of \$60. In 1978, Chet Smith filed action seeking approximately \$300,000 in damages as a result of Agency's alleged breach of Site Improvement Contract (SIC) No. 13 in Hunters Point. The preparation of Agency's defense will require an extensive amount of time and it is recommended that the services of an outside attorney be used to prepare the case. Mr. James has extensive experience in litigation and in representing public entities. He was employed in the office of HUD's Regional Counsel and serves as a litigation counsel for the Economic Opportunity Council (EOC). Mr. James is also a principal in Vanguard Developments, which has exclusive negotiation rights to Parcel 743-0 in A-2. The Agency's Legal Division has evaluated this relationship and is of the opinion that this participation does not create a conflict of interest because there is no relationship between the activities. Staff recommends that an Agreement for Legal Services with Mr. James be approved.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 95-80 BE ADOPTED.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that the meeting be recessed for five minutes at 6:35 p.m. There being no objection, it was so ordered. The meeting reconvened at 6:45 p.m. with the same roll call.

(h) Status report on vacant parcels, Yerba Buena Center.

This item is to provide additional information relevant to the discussion of land uses for the parcels adjacent to the Central Blocks in Yerba Buena Center (YBC) considered at the meeting of January 29, 1980. The staff met with residents of the YBC project and presented the use alternatives being considered for the twelve peripheral parcels. During this process the South of Market Coalition, a group made up of the managers of the residential developments and organizations that provide services in the area including TODCO, indicated that the Coalition had comments they wished to present to the Commission. Mr. Hamilton indicated that staff had reviewed the presentation and believed it was important to provide an opportunity for the community comment on these issues that affect their neighborhood.

Linda Hallen, Chairman of the South of Market Coalition, indicated that the Coalition includes service providers, residents, and some of the business people in the area including a representative from American Telephone and Telegraph (AT&T), various medical people and managers of the various senior residents. She expressed the concern of the Coalition that the plans for the area address the need of the community as a neighborhood. She stressed that the area lacks basic services and the community wanted an opportunity to have input into future development plans for YBC. John Elberling indicated that he and Robert Herman, architect, prepared a report which he would like to have the Commission read and consider. Mr. Elberling made a presentation of the Coalition's concerns noting that these included five general objectives and under each objective several action recommendations were listed. He stressed that the first priority is the need for neighborhood retail services focused on 4th Street and he indicated sites where this could be accomplished. These would include a supermarket with parking on top. It was stressed that market-rate housing should be constructed in the area as the present senior citizen residents want a diversity of age groups in the neighborhood and this would also generate more and better neighborhood commercial services. TODCO housing was also suggested. Mr. Elberling proposed to meet with the potential developers of the Central Blocks to express the community's concerns particularly with regard to the need for adequate security. Attractive landscaping around the project was another concern as were the provision of health services. Mr. Elberling suggested that the Coalition meet with the Agency to further assess the needs for the area.

President Wexler expressed the Commissioners' appreciation for the input of interested citizens in the area and the time and effort spent on the presentation. Mr. Hamilton stated staff would be reviewing the report carefully and will subsequently meet with Mr. Elberling. He expressed the belief that there would be a productive working relationship with the Coalition on the matters within the Agency's jurisdiction.

NEW BUSINESS (continued)

- (i) Resolution No. 107-80 travel authorization for the Executive Director, Development Director, and one Commissioner to travel to New York, Toronto, Pittsburgh, Chicago, and Montreal April 29 to May 8, 1980.

Authorization is requested for Judith Hopkinson, Development Director, Wilbur W. Hamilton, Executive Director, and one Commissioner to travel to New York, Toronto, Pittsburgh, Chicago, and Montreal April 29 to May 8 at an estimated cost of \$4,300. Two separate travel needs are occurring at this time and in order to best use both time and travel, a comprehensive travel schedule is proposed. During May 3-8, 1980 NAHRO meetings will be held in Pittsburgh, Pennsylvania which will include the national redevelopment workshop and to conduct the quarterly meetings of the NAHRO Board of Governors and national committees. Mr. Hamilton indicated that these meetings concerned a number of policy matters for which he was responsible including the Working Task Force on Reauthorizations for the Block Grant Program and commencement of a new Task Force to introduce the Urban Reinvestment Opportunity Program to Congress. He noted that he would also be participating in a number of issues being carried out by the NAHRO Regional Presidents to strengthen the national organization.

Mr. Hamilton noted that the NAHRO meetings will provide an opportunity for meeting with developers to encourage them to participate in the YBC urban gardens program without significant extra cost. It is also desirable to have Ms. Hopkinson and President Wexler to participate in such meetings to ensure developers' understanding of the program. He expressed the belief that such a visit would be extremely important to the success of the Yerba Buena Center development program and recommended authorization of this travel.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, THAT RESOLUTION NO. 107-80 BE ADOPTED AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Mr. Lee
Mr. Porter
Ms. Shelley

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

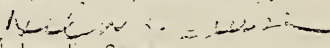
Mr. Wexler

The President thereupon declared that the motion carried.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Ms. Shelley, and unanimously carried that the meeting be adjourned to an Adjourned Regular Meeting to be at 4 p.m., Monday, April 28, 1980, 939 Ellis Street, San Francisco, California. The meeting adjourned at 7:30 p.m.

Respectfully submitted,


Helen L. Sause
Secretary

Approved: May 27, 1980

SF
R35

#4

4/28/80

Minutes
PROCEEDINGS OF AN ADJOURNED REGULAR MEETING
OF THE REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
28TH DAY OF APRIL, 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in an adjourned regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 28th day of April, 1980, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Parree Porter, Vice President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Joan-Marie Shelley

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and the following was absent:

Melvin D. Lee

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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, and Benny Stewart, Western Addition Project Area Committee (WAPAC).

NEW BUSINESS

- (a) Consideration of authorizing the award of an audit of the Local Public Works Grant for the John Swett Community Facility to Michael Weiner, Western Addition A-2.

It is recommended that the Agency contract with Michael Weiner who submitted the lowest of 12 proposals to prepare an audit of the Local Public Works Grant for the John Swett Community Facility in an amount not to exceed \$1,125. Under the terms of the Grant for the construction of the John Swett Community Facility the Agency is required to have two program audits performed. Those are to be done when the project is 40 percent complete and at completion. The project is now 40 percent complete and the facility is expected to be complete in August of this year.

MOTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED TO AWARD THE AUDIT OF THE LOCAL PUBLIC WORKS GRANT FOR THE JOHN SWETT COMMUNITY FACILITY TO MICHAEL WEINER, WESTERN ADDITION A-2.

- (b) Resolution No. 109-80 modifying requirements of the Redevelopment Plan for the Western Addition A-2 for Parcel 676-A, southwest corner of Bush and Buchanan Streets, to permit additional Agency Rooms and to modify the off-street parking requirement.

Authorization is requested to approve two variances from the A-2 Redevelopment Plan pertaining to the Buchanan Street Apartments being developed by Masao Ashizawa on the southwest corner of Bush and Buchanan Streets. The first variance would increase the maximum residential density of 36 to

NEW BUSINESS (continued)

39 "Agency rooms" for the 18 apartments proposed for this site. This has no effect on the overall dimensions of the proposed building and represents a minor revision to the architectural plans consisting of construction of a wall between the living and sleeping areas of the three studio apartments to convert them to three one-bedroom units. This change would allow additional funding by the Development of Housing and Urban Development (HUD) and increase the financial feasibility of the project. The second variance would reduce the off-street parking required by the Plan to three parking spaces for each four dwelling units, rather than one parking space for each dwelling unit. City Planning has already held a public hearing and granted this parking variance. The additional space will permit provision of either additional open space or a communal laundry facility.

Mrs. Mary Rogers, Chairperson of Western Addition Project Area Committee (WAPAC), indicated her support of the project but expressed opposition to the parking variance because of limited parking in the area. She was also concerned that the studio unit to be converted into a one-bedroom unit for the handicapped be redesigned to allow them enough room, and Mr. Edmund Ong, Chief of Architecture, indicated that the handicapped unit could be modified. However, he indicated that without the parking variance, the developer would either have to eliminate open space and communal laundry or add an additional floor for parking, which would reduce the number of units by four all of which would make the project infeasible. Mr. Hamilton indicated that staff would work with the developer on modifying the one-bedroom unit for handicap occupancy.

Ms. Berk inquired if a study had been done on similar parking variances granted or other subsidized housing to see if the parking was being under-utilized and Mr. Hamilton replied that there had been previous studies and the parking variance was proposed in accordance with those studies. Mr. Porter inquired how the 14 parking spaces would be assigned and Mr. Hamilton indicated that the parking spaces would be assigned by the developer.

In response to President Wexler's inquiry, Mr. Hamilton indicated that the developer's Section 8 agreement was for 20 years and if the developer wished to convert the units to market-rate the matter would have to be approved by the City Planning Department.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 109-80 BE ADOPTED.

- (c) Resolution No. 110-80 authorizing the Executive Director to execute a contract for rental of reproduction equipment for the Western Addition Project Area Committee (WAPAC), Western Addition A-2.

Authorization is requested to execute a contract with Xerox for the rental of a copy machine for 14 months at a cost of \$196 per month for WAPAC's use. The WAPAC Agreement requires that the Agency provide WAPAC with office furniture and reproduction equipment. It is proposed to rent a copier from Xerox on an extended term contract, based on a funding cycle which is the fiscal year July 1-June 30, and allows cancellation after January 31, 1980 close of the Agency's Fiscal Year if WAPAC is not refunded.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 110-80 BE ADOPTED.

NEW BUSINESS (continued)

- (d) Consideration of authorization to advertise Demolition Contract No. 20 for clearance of two buildings at 1435 LaSalle Avenue, Hunters Point.

It is requested that staff be authorized to solicit public bids for Demolition Contract No. 20 which will clear the buildings used as the Hunters Point site office at 1435 LaSalle Avenue. The stairs, walkways, pavement, and underlying utilities will be left for clearance in a future Site Improvement Contract. Demolition is proposed now in order to alleviate hazardous and unauthorized use of the structure. The parcel will be offered for construction of market-rate housing later this year.

MOTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED AUTHORIZING ADVERTISEMENT OF DEMOLITION CONTRACT NO. 20 FOR CLEARANCE OF TWO BUILDINGS AT 1435 LASALLE AVENUE, HUNTERS POINT.

- (e) Resolution No. III-80 approving an Application for Firm Commitment and authorizing the Executive Director to transmit same to HUD, Incheon Village Development.

Mr. Hamilton recalled that staff has been on an accelerated schedule to implement the rehabilitation of the housing at Incheon Village which the Agency was asked to undertake by the Mayor's Office. The work has progressed to the point where a Firm Commitment Application can be submitted to HUD and authorization is now requested to submit the application for final FHA processing and issuance of a commitment. Mr. Hamilton indicated that Mr. Redmond Kernan, Deputy Executive Director, had just returned from an appearance before the Board of Supervisors to answer questions raised by Supervisor Bardis. Mr. Kernan recalled that the Board of Supervisors had approved the funds to carry out the preliminary work on Incheon Village and noted that subsequently Supervisor Bardis had introduced a resolution addressing the issue of competitive bidding of contracts for Incheon. This resolution was referred to the Planning, Housing, and Development Committee (PH&D) for a joint meeting with the Finance Committee. The committees did not have a quorum and therefore did not act on the matter. Supervisor Bardis then had it called out of committee for consideration by the full Board. Supervisor Bardis has previously expressed concern that this development is for moderate rather than low-income persons during the discussion today and expressed concern about the method of letting the contract for consultant services with Genge Community Consultants. It is customary to have Personal Services Contracts negotiated and the Agency has proceeded on that basis and the consultant is well into the work. Mr. Kernan stressed his belief that this type of contract should not be bid. The Board of Supervisors voted the resolution down with a 9-2 vote with Supervisors Bardis and Britt voting for the resolution.

Mr. Hamilton recalled that in January staff had submitted an application to HUD for a Conditional Commitment and had also obtained the Board of Supervisors' approval to transfer Community Development Block Grant (CDBG) funds sufficient to proceed with project activities and to contract with a consultant to assist in the project development. The Conditional Commitment was approved by HUD on March 20, 1980 and working drawings are now approximately 60 percent complete and are anticipated to be finished by May 15, 1980. A professional cost estimator, Lee Saylor, Inc. has provided

NEW BUSINESS (continued)

the basis for the cost estimates on the 100 units, which are sufficient for HUD to begin the Firm Commitment processing and permit the Agency to proceed with soliciting construction bids. The working drawings and a contractor's bid will be submitted to HUD in mid-May, and it is anticipated that HUD will issue the commitment by the end of June. Staff and consultants are investigating the sources of financing and will be able to report more fully on these within the next 10 days. Staff continues to believe this project is a feasible program to provide homes at exceptionally low prices.

Mr. Glickman inquired about the sale prices for the units, and Mr. Thomas Conrad, Chief of Planning, indicated that the prices were originally \$45,000 to \$65,000 but after further evaluation it now appeared the prices would be in the range of \$51,300 - \$61,800. Mr. Glickman inquired whether Government National Mortgage Association (GNMA) or Section 235 would be used and the amount of the mortgage limits. Mr. Conrad indicated that the use of Section 235 was preferred and if that could not be used successfully to sufficiently reduce the purchase price then GNMA would be used. He noted that staff preferred use of the 235 program but Section 235 is to be incorporated into the GNMA Target Tandem Program if the Administration's housing proposals are approved by Congress.

President Wexler was concerned about proposed reductions of amenities to make the prices lower, and Mr. Conrad noted that some unessential amenities were taken out because the Real Estate Commission mandated that the units be re-roofed and all new hot water heaters installed even though only six needed re-roofing and water heaters. This had increased costs and certain amenities have been omitted to keep the downpayment low. Mr. Glickman agreed with the need to keep the downpayments at a minimum and Mr. Porter agreed because it would give people a better opportunity to purchase.

Ms. Blomquist inquired about certain costs outlined in the application including management costs of \$18,000 and operating payroll of \$50,000 and \$22,000 for land improvements and Mr. Conrad indicated the management costs were for the Homeowners Association and maintenance of the common area, and the operating payroll was for maintenance and security, and the land improvements costs were for the dedicated streets to provide access to the property. Mr. Hamilton noted that the consultants would be refining these costs and staff would get back to the Commission if there was a dramatic change.

Mrs. Mary Rogers, WAPAC, expressed concern about the amount of down payment that would be required and after discussion, President Wexler indicated that the downpayments would be extremely reasonable in a range of \$6,000-\$8,000.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 111-80 BE ADOPTED AS AMENDED TO PROVIDE THAT THE APPLICATION IS APPROVED "IN SUBSTANTIALLY THE FORM ATTACHED AND AUTHORIZING THE EXECUTIVE DIRECTOR TO MAKE NON-SUBSTANTIVE CHANGES IF NECESSARY."

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Porter and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:45 p.m.

Respectfully submitted,

Helen L. Sause

Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
6TH DAY OF MAY 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4 o'clock p.m. on the 6th day of May 1980, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered

Howard M. Wexler, President
Charlotte Berk (joined the meeting at 5 p.m.)
Dian Blomquist
Rubin Glickman
Willie B. Kennedy
Melvin D. Lee

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and the following was absent:

Parree Porter, Vice President

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The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Charles Krause, Rev. Victor L. Medearis, Elmer Moses, Rev. R. L. Owens, Katherine Richardson, Marie Washington, Ethel Harris, Roxie Harris, Marilouise Scott, Reva Pendleton, Rev. Willie Whitfield, Ellen M. Whitfield, Rev. Eric D. McGee, Paul R. Richardson, Georgia Sexton, Earl Sexton, Mr. and Mrs. Guy Rook, Rev. Kenneth K. Williams, El Bethel Terrace; Frank H. Dunne, Worldsurance; Lavolia Baker, L. Baker, Insurance; Mary Rogers, Arnold Townsend, and Essie Collins, Western Addition Project Area Committee (WAPAC); Teall Henderson, San Francisco Coalition; and Josephine Campbell, interested citizen.

Representing the press were Gerald Adams, San Francisco Examiner; and Steve Rubinstein, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the Regular Meeting of February 19, 1980, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matter:

- (a) The Executive Director, Wilbur W. Hamilton, and the Secretary, Helen L. Sause, are attending a National NAHRO Conference Pittsburgh, Pennsylvania.

REPORT OF THE PRESIDENT

- (a) President Wexler indicated that this would be the final meeting during which the Commission would have the privilege of being joined by Joan-Marie Shelley. Ms. Shelley's term has expired and her successor, Mrs. Willie B. Kennedy, has been approved by the Rules Committee, and her appointment will be considered by the Board of Supervisors next Monday. Mr. Wexler stated that the Commission looked forward to working with Mrs. Kennedy but the absence of Joan-Marie Shelley will be a great loss for the Commission and all who have worked closely with her during the past three and a half years during which she served for three as the Agency's Vice President. President Wexler indicated that he had consulted with her and relied on her excellent judgment. He believed that all of the Commissioners and staff have the highest regard and utmost respect for Ms. Shelley. President Wexler stated that he would like Ms. Shelley to preside over this meeting as a token of the Commissioners' esteem and appreciation.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner, Ms. Joan-Marie Shelley would preside over this Regular Meeting of the San Francisco Redevelopment Agency. There being no objection, it was so ordered.

Ms. Shelley indicated that her service on the Redevelopment Agency Commission had been a rich and rewarding experience both in terms of the friendships she had made and the exciting opportunity to be involved in some of the most important activities taking place in San Francisco. She believed the Agency was creating a more humane environment in which to live and stressed the honor and pleasure she had felt at being involved in the Agency's program. Ms. Shelley expressed her best wishes for implementation of the Agency's goals and objectives and to Mrs. Kennedy who, although she did not know her, had the greatest respect for her husband and was sure she would carry on in the fine family tradition. She noted that it was with mixed feelings of sadness and appreciation for the great honor that she took the gavel for the last time.

NEW BUSINESS

- (a) Resolution No. 112-80 authorizing the Executive Director to enter into exclusive negotiations with El Bethel Terrace, Inc. for Parcel 774-C, southwest corner of Golden Gate and Fillmore, Western Addition A-2.

Authorization is requested to enter into exclusive negotiations for 90 days with El Bethel Terrace, Inc. for a 22,687.5 square-foot lot on Parcel 774-C, located on the southwest corner of Golden Gate Avenue and Fillmore Street in the Western Addition A-2. Mr. Kernan indicated that the developer proposes to construct 100 housing units over a single-level parking garage with retail commercial fronting on Fillmore Street. This housing will be for low-income elderly and financed under the Section 202 program with Section 8 rent subsidies. This church previously sponsored the adjacent 225-unit senior citizens development completed in 1973. A variance will also be proposed for consideration concerning the density and parking on this site. Western Addition Project Area Committee (WAPAC) has not formally acted on this matter but the majority of WAPAC Board has indicated it will support the development. However, Mary Rogers has taken a personal position of opposition because she believes there is too much senior citizen housing in the area. Staff continues to recommend development of these needed units.

NEW BUSINESS (continued)

Dr. Eddie C. Welbon, Baptist Pastor's Council; George L. Bedford, Macedonia Church; Rev. Victor Medearis of Baptist Pastors Council, and Rev. J. R. Richardson of El Bethel Baptist Church all spoke in favor of El Bethel Terrace. Mrs. Mary Rogers, WAPAC, requested that the item be held for two weeks to permit WAPAC's Planning and Development Committee to have time to make their recommendation. Ms. Blomquist inquired about the effect of holding the item and Mr. Kernan responded that HUD had imposed a deadline date of May 4, 1980 and recommended acting on the item today. Mr. Glickman indicated his understanding of the concerns of the community; however, he recognized the need for housing in the City and did not believe this item should be delayed if it would put it in danger of losing it.

Mrs. Rogers stressed her opposition to this site being developed for senior citizen housing indicating her belief that there was already enough of this type of housing and more units should be built for families. President Wexler indicated his recognition of the need for a mixture of housing for families, seniors, as well as market-rate and subsidized units, but he believed that this development should be supported.

ADOPTION: IT WAS MOVED BY MR. WEXLER, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 112-80 BE ADOPTED.

- (b) Resolution No. 113-80 authorizing the Executive Director to execute a contract for Janitorial Services with W & F Building Maintenance for the Western Addition A-2 Site Office and Central Maintenance Office.

Authorization is requested to execute a contract with W & F Building Maintenance of janitorial services for the A-2 Site Office and the Central Maintenance Office located at 675 Golden Gate Avenue. Their performance has been satisfactory and staff has negotiated with them for a nine percent increase for the next year, which is believed to be reasonable. The contract will increase from \$1,239.90 to \$1,351.50 per month. Continuing this contract for another year is consistent with the the current practice of contracting for such services for a two-year period and staff recommends entering into a janitorial contract for one year with W & F Building Maintenance.

Ms. Blomquist inquired if this contract would be put out to bid next year and Mr. Suttle, Area Director Western Addition, replied affirmatively.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. WEXLER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 113-80 BE ADOPTED.

- (c) Consideration of selecting an Insurance Carrier in connection with the SB-99 Program, Western Addition A-2.

Mr. Kernan requested that this item be held approximately two weeks. The SB-99 Program has been delayed due to some issues regarding the Bond Resolutions and there is no need to act on this today. Ms. Hopkinson provided the Commission with a form that indicated the carriers that had submitted proposals for the two kinds of insurance: (1) The type the Agency obtains such as special housing insurance and (2) private mortgage insurance.

NEW BUSINESS (continued)

Ms. Blomquist inquired if this would delay the start of Opera Plaza and Ms. Hopkinson answered negatively.

RULE OF THE CHAIR: Acting President Shelley indicated that subject to the objections of any Commissioner, Item 9(c) would be continued for two weeks. There being no objection, it was so ordered.

- (d) Resolution No. 114-89 amending Resolution No. 229-79 to increase reimbursement rate for official travel on personally owned automobiles.

Authorization is requested to amend Resolution No. 229-79, which will increase the reimbursement for official travel by staff in personally owned automobiles from 18 to 20 cents per mile. Due to a limited number of Agency vehicles, staff is often required to operate their personal vehicles in order to carry out their job responsibilities. The rate has not been changed since 1974, but gasoline as well as other costs of operating a car have increased. Mr. Kernan recommended approving this increase effective May 1, 1980.

Ms. Blomquist inquired about the average monthly cost of local travel, and Mrs. Jane Hale, Deputy Executive Director, Finance and Administration, indicated that she would provide the information to her.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 114-80 BE ADOPTED.

- (e) Consideration of authorizing the Executive Director to award to Peat, Marwick, Mitchell & Co. the audit of the Agency's Community Development and Federal Categorical Programs.

Authorization is requested to award the audit of the Agency's Community Development and Federal Categorical Programs to the lowest proposal which was submitted by Peat, Marwick, Mitchell and Company for \$24,000. Two proposals were received from the sixteen firms solicited. Peat, Marwick, Mitchell has handled these audits in the past and are thoroughly familiar with the Agency's accounting procedures. Staff recommends award to Peat, Marwick, Mitchell and Company.

Mrs. Rogers noted that she had requested information on the categorical funding programs. It was indicated that staff would provide this material. Ms. Blomquist inquired about the specific purpose of the audit and Mrs. Hale responded that this audit is required by State law. It provides an audit on the expenditure of approximately \$16 million dollars in accordance with State and Federal regulations. In response to Ms. Blomquist's inquiry, Mrs. Hale indicated that last year the categorical audit had cost \$18,000.

MOTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT AWARD TO PEAT, MARWICK MITCHELL AND COMPANY FOR THE AUDIT OF THE AGENCY'S COMMUNITY DEVELOPMENT AND FEDERAL CATEGORICAL PROGRAMS IN AN AMOUNT NOT TO EXCEED \$24,000 BE GRANTED.

- (f) Resolution No. 115-80 authorizing transmittal of proposed Redevelopment Plan to the City Planning Commission for its report and recommendation, Bayview Industrial Triangle.

NEW BUSINESS (continued)

- (g) Resolution No. 116-80 authorizing transmittal of the proposed Redevelopment Plan to the Citizens Advisory Committee for its review and recommendation, Bayview Industrial Triangle.
- (h) Resolution No. 117-80 authorizing transmittal of Design for Development to the City Planning Commission, Bayview Industrial Triangle.
- (i) Resolution No. 118-80 authorizing approval of report on the Redevelopment Plan and transmittal to the Board of Supervisors, Bayview Industrial Triangle.
- (j) Resolution No. 119-80 authorizing adoption of Owner Participation Rules and transmittal to the Board of Supervisors, Bayview Industrial Triangle.
- (k) Resolution No. 120-80 authorizing adoption of minimum property standards for rehabilitation and transmittal of the Board of Supervisors, Bayview Industrial Triangle.
- (l) Resolution No. 121-80 authorizing transmittal to the proposed Redevelopment Plan to the Board of Supervisors, Bayview Industrial Triangle.
- (m) Resolution No. 122-80 authorizing request for a Joint Public Hearing with the Board of Supervisors, Bayview Industrial Triangle.
- (n) Resolution No. 123-80 authorizing transmittal of the Finding of No Significant Effect (Negative Declaration) to the Board of Supervisors, Bayview Industrial Triangle.

Authorization is requested to approve nine separate actions in regard to the Bayview Industrial Triangle Redevelopment Project. The Board of Supervisors designated the Bayview Industrial Triangle as a Survey Area in January 1978. On October 11, 1979, the City Planning Commission designated the area for redevelopment and on December 20, 1979 they adopted a Preliminary Plan and transmitted it to the Agency in January of this year. The Agency has prepared a Redevelopment Plan, with its principal focus being rehabilitation of the area with new industrial development on vacant properties. Staff recommends approval of the resolution necessary to the formal adoption of the Plan by the Planning Commission and the Board of Supervisors and establishing a date for the joint public hearing of the Commission and the Board of Supervisors on the Redevelopment Plan. The items to be acted on include:

- * Transmitting the Redevelopment Plan to the City Planning Commission for its report and recommendation, the citizens advisory group for review and recommendation, and the Board of Supervisors for consideration.
- * Transmitting Design for Development to City Planning Commission for consideration.
- * Approving transmitting Report on the Redevelopment Plan, Owner-Participation Rules, and Minimum Property Standards for Rehabilitation to the Board of Supervisors for its information.
- * Transmitting Finding of No Significant Effect (Negative Declaration) to the Board of Supervisors for consideration.

NEW BUSINESS (continued)

- * Requesting consent of the Board of Supervisors to conduct a Joint Public Hearing on the Proposed Redevelopment Plan.

Mr. Lee expressed concern about the suitability of the triangular shaped parcel on Third Street, between Hudson and Inness for housing. Mr. Conrad, Chief of Planning, indicated that an agreement had been reached with City Planning staff regarding the uses of that parcel which provides that housing will be pursued singularly for a reasonable period of time and at the discretion of the Commission a determination could be made that this parcel not be used for housing. It could then be used for either commercial or a mixed-use commercial and housing.

President Wexler indicated his understanding that the Commission would have the choice of selecting between housing and commercial. He inquired if the Agency was under an obligation to market the site for housing even though it was not considered to be the best use. Mr. Kernan indicated that the Agency was obligated to market the site for housing if an owner-participation was executed for the parcel agreement and the owner wanted to use the site for this purpose; however, the Agency could require commercial on the ground floor.

Mr. Kernan expressed the belief that the City Planning staff wanted this use included in the Preliminary Plan in accordance with their policy to encourage housing on vacant parcels. If the Bayview Industrial Triangle (BIT) plan did not allow residential it would not have been in conformity with the Master Plan and it would have taken a 2/3 vote of the Board of Supervisors to change an adverse decision of the Planning Commission and so staff recommends this proposal as an acceptable alternative. President Wexler indicated that it appeared the Agency must initially pursue housing on the site. Ms. Blomquist inquired whether parking requirements were the same as those required by City Planning and Mr. Conrad replied affirmatively. She also inquired if they conformed to the City Building standards and Mr. Conrad replied that there are two places in the plan where they vary and these are over the Code requirements. These are in the Rehabilitation Standards and requirements for screening of parking and loading areas. The regulations for bill boards and roof signs are also higher than the Code requirements. Ms. Blomquist inquired if the plan was flexible enough to permit use of technological changes and Mr. Kernan answered affirmatively. She expressed her belief that the energy saving measures were good but urged that the Plan also permit buildings which had windows that open. Ms. Blomquist then expressed concern that the design standards required continuous contact by the architect, developers, and the Agency's staff and believed that the word "continuous" could impede the development. Mr. Conrad noted that this should not be a problem. Ms. Blomquist also expressed concern with replacement housing and Mr. Conrad indicated that the Agency would have to replace any units demolished. Mr. Kernan inquired if rehabilitation of Incheon Village could be applied to units demolished in this project and Mr. Conrad answered affirmatively. Ms. Blomquist inquired about the expense of having a Project Advisor for \$52,000 if that would come out of Administration and Mr. Conrad responded that this would provide for clerical support, mailing and postage. She then inquired about the \$56,000 for expenses over and above the cost for acquisition and Mr. Conrad indicated that they were concerning acquisition appraisals, potential brokerage fees, title searches, and

NEW BUSINESS (continued)

then inquired about the \$350,000 for legal third party contracts and he replied that was an estimate we had received from our legal division and is for any potential legal challenge against the Redevelopment Plan and the implementation of the project.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 115-80 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 116-80 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. WEXLER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 117-80 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 118-80 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 119-80 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 120-80 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 121-80 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. WEXLER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 122-80 BE ADOPTED.

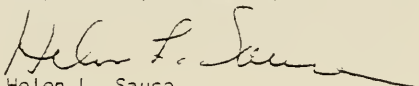
ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 123-80 BE ADOPTED.

Ms. Berk inquired if there is a description of the Citizens Advisory Committee and Mr. Conrad replied it should be stated as the Citizens Advisory Group as it is not a committee in the strictest sense, it is a group of citizens, property owners, tenants, and residents in the project area who have been meeting with Agency staff over a period of 12 months and they are supportive. Mr. Kernan indicated that the Plan would be referred to the Board of Supervisors on May 12, 1980 with a request that the Clerk of the Board and Agency Secretary set the Public Hearing date which is anticipated to be held in mid-June.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Mr. Wexler, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:55 p.m.

Respectfully submitted,


Helen L. Sause
Secretary

Approved: August 20, 1980

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5/27/80

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
27TH DAY OF MAY 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4 o'clock p.m. on the 27th day of May 1980, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

DOCUMENTS DEPT.

Howard M. Wexler, President
Parree Porter, Vice President
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Charlotte Berk (arrived at 4:40 p.m.)

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and the following was absent:

Joan-Marie Shelley

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Elyza Hemingway, Margaret Henderson, Pat Andrews, Valeri Dawson, Merrie Thompson, Willie Mae Nelson, Beatrice Brown, Erica Mae Williams, Vera Clanton, Cathryn Amos, Sac Coleman, Frank Ramsey, Mary F. Miller, Amanda Ferguson, Samuel Dixon, Damon Johnson, Sue Oliver, Annie Carter, Nathaniel Boykin, Lisa Boykin, Marjorie Burts, Leona Robertson, Willa Gibson, Joseph Gibson, Justine Carter, Dowilder J. Gregory, Cariton Divas, Joe Johnson, Robert M. Taylor, Mr. and Mrs. Smith, and L. Jamerson, Third Baptist Church; BPIA; James L. Daly, W.R. Thomason, Inc.; Mary Rogers, Western Addition Project Area Committee (WAPAC); Gail Shaeffer, Sheryl Smith, Ted Frazier, San Francisco Coalition; Peter P. Mendelsohn, TOOR-TODCO; and Frank Murray, interested citizen.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Glickman, and unanimously carried that the minutes of the Special Meeting of April 18, 1980, and Regular Meeting of April 22, 1980 as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following:

- ★ (a) At this time Mr. Hamilton is at the Board of Supervisors covering items concerning implementation of the Plan for the Northeastern Waterfront and a resolution which would rescind the Board of Supervisors' authority for the Agency to proceed with the SB-99 financing for the Opera Plaza development in Western Addition A-2.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) Mrs. Willie B. Kennedy will be sworn in by the Mayor as a Redevelopment Agency Commissioner this Friday at 11:30 in the Mayor's office and will attend her first meeting next Tuesday, June 4, 1980.

REPORT OF THE PRESIDENT

President Wexler indicated that there would be an Executive Session regarding litigation prior to the calendared workshop which is item 9(g).

NEW BUSINESS

- (a) Resolution No. 138-80 authorizing the Executive Director to execute a contract with Pearson and Johnson Contractors, Inc. and Mobile Modular Management Corporation to effect the temporary move of Roy's Barber Shop and Kono's Barber Shop, Western Addition A-2.

Authorization is requested to expend \$36,000 to temporarily relocate two barbershops from the building they occupy at the northwest corner of Post and Laguna in the Western Addition A-2 so that the site can be cleared for construction of the Seiki Building. Mr. Kernan indicated that after analysis of the alternatives available to vacate this building, it was determined that the use of modular trailers would be the best solution for this relocation. They will be moved to 1720-1722 Buchanan Street which is the site of the future Nihonmachi parking lot. The following actions are recommended to effectuate this move: lease two trailers from Mobile Modular Management, \$11,519; award contract to Pearson and Johnson (low bidder) for alterations to the trailers; \$12,926, and miscellaneous cost, \$2,555. Total cost amount to \$36,000.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 138-80 BE ADOPTED.

- (b) Resolution No. 131-80 ratifying and approving action of the Executive Director in soliciting bids and awarding contract to Albright Construction for rehabilitation of 1936-65 O'Farrell, Western Addition A-2.

Authorization is requested to award a contract to the lowest of three bidders for rehabilitation of seven buildings in the Agency's Condominium Program which contains 14 units. Mr. Kernan indicated that this contract was rebid after rejection of all bids previously received because the low bidder was unlicensed and the second low bidder's bid was substantially over the low bid and staff estimate. The contract documents were revised to include rafter and fumigation work, which was discovered to be necessary during the rebidding period. This was made part of the job specification by addendum. It is recommended that this contract be awarded in the amount of \$851,850 to Albright Construction on the basis of the low bid received.

In response to Ms. Blomquist's inquiry, Mr. McClure, Chief, Rehabilitation, indicated that staff expected the average per unit cost to be about \$55,000 over the entire condominium program.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 131-80 BE ADOPTED.

NEW BUSINESS (continued)

- (c) Resolution No. 139-80 authorizing the Executive Director to enter into a Rental Agreement with W. R. Thomason, Inc. for utilization of cleared Agency-owned land, Yerba Buena Center.

This item requests authorization to execute a rental agreement with W. R. Thomason, Inc., a general engineering contractor, for use of vacant Agency-owned land located on the northeast corner of Harrison and 4th Streets in Yerba Buena Center to be used as a construction yard and employee parking during installation of an underground duct system in the area. The tenancy will be on a month-to-month basis at a monthly rental rate of \$693.50. The firm expects to complete construction by July 30, 1980.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 139-80 BE ADOPTED.

- (d) Resolution No. 140-80 authorizing execution of a Work Change Order with Environmental Science Associates, Inc. related to the Environmental Impact Report/Statement Contract, Rincon Point-South Beach.

Approval is requested to execute a change order to the contract with Environmental Science Associates, Inc. to provide historical and archival evaluation for inclusion in the Environmental Impact Report/Statement (EIR/S) for an amount not to exceed \$3,000. Concurrence is also recommended for the selection of Mason Tillman Associates as a subconsultant to do the work. Mr. Kernan noted that Environmental Science Associates (ESA) is currently under contract with the Agency to prepare the EIR/S for Rincon Point-South Beach Redevelopment Plan. It was originally believed that the work previously completed by Roger and Nancy Olmsted under the ROMA studies would be adequate to meet the federal law affecting this project; however, it has now been determined that additional evaluation will be necessary. Proposals were solicited from both the Olmsteds and Mason Tillman Associates and ESA and staff recommend use of Mason Tillman as the subconsultant for the historic and archival evaluation.

At this time Ms. Berk arrived at 4:40 p.m.

In response to Ms. Blomquist's inquiry, Mr. Conrad, Chief of Planning, noted that the material prepared by the Olmsteds was inadequate because changes in Federal law required that the impact of the project on the buildings outside the project area be included.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 140-80 BE ADOPTED.

- (e) Resolution No. 141-80 amending Schedule of Performance, Attachment 3, of the Agreement for Disposition of Land for Private Redevelopment with Gracie Alexander and Edmund Kanan, Parcel 749-C, southeast corner of Eddy and Fillmore, Western Addition A-2.

This item requests authorization to amend the Land Disposition Agreement (LDA) with Gracie Alexander and Edmund Kanan to extend the Performance Schedule for submission of evidence of financing for the parcel located at southeast corner of Eddy and Fillmore, Western Addition A-2. Mr. Kernan indicated that the developer plans to build a 3,200-square-foot fast food restaurant on this parcel. The LDA was approved on November 20, 1979. Final construction documents have been reviewed and approved by staff and a

NEW BUSINESS (continued)

building permit is ready to be issued. Evidence of financing was originally due by April 30, 1980 and the developers have been working with the Bay Area Business Development Corporation to assemble a financing package for presentation to the Small Business Administration (SBA). However, the developer needs three to five months to secure this financing from SBA. It is recommended that the schedule of performance be amended to provide additional time: submission of Evidence of Financing from April 30, 1980 to October 30, 1980; conveyance of Site/Close of Escrow from May 31, 1980 to November 30, 1980, and construction will then begin. Ms. Blomquist referred to an earlier letter which implied that the development was ready to proceed and inquired why the developer had not secured financing. Mr. Kono, Deputy Director of Development, indicated that the developer had been unable to obtain funding. In response to Mr. Lee's inquiry, Mr. Kono indicated that the developer had been notified that the matter was to be considered. The commissioners indicated that they wished to have information from the developer prior to acting on the matter.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT THIS ITEM BE CONTINUED FOR ONE WEEK.

President Wexler indicated that as a matter of privilege in connection with Item 9(f) he would not participate because one of the developers was a client of his law firm, Feldman, Waldman, and Kline. President Wexler turned the Chair over to Acting President Porter and left the podium.

- (f) Resolution No. 124-80 amending Schedule No. 3 of the Agreement for Disposition of Land for Private Redevelopment to provide for an extension of time for submission of evidence of financing and related performance dates with G & G Martco, Gift and Gourmet Mart, Parcel 3735-A, southeast corner of Third and Howard, Yerba Buena Center.

Authorization is requested to amend the LDA with G & G Martco to extend the performance schedule for submission of evidence of financing by ninety days for development of the parcel located on the southeast corner of Third and Howard Streets in the Yerba Buena Center Project. The developer plans to build a gift and gourmet mart on this site and has requested a nine-month extension from the June 1, 1980 date by the LDA. However, staff recommends a ninety-day extension with a requirement that the developer provide a status report in sixty days for both leasing of the building and the progress made in obtaining financing. It is recommended to amend the performance schedule in the LDA by: provision of status report by August 1, 1980; submit evidence of financing from June 1, 1980 to September 1, 1980; and conveyance of the site not later than from July 1, 1980 to October 1, 1980. These are outside dates and the developer and staff hope to be able to expedite them.

Mr. Feldman on behalf of G & G Martco indicated the seriousness of the mortgage situation. He indicated that they hoped to proceed within the next two months.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 124-80 BE ADOPTED.

President Wexler returned to the podium and resumed the Chair.

NEW BUSINESS (continued)

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that this meeting would adjourn to an Executive Session. There being no objection, it was so ordered and the meeting adjourned at 5 o'clock p.m.

At this time, Mr. Hamilton joined the meeting at 5:25 p.m.

- (g) Workshop - Presentation of developer and tenant interest in the Fillmore Center, Western Addition A-2.

This item is a workshop presentation of developer and tenant interest in the Fillmore Center, Western Addition A-2. No action is requested. There has been considerable interest expressed in the Fillmore Center by prospective developers and tenants and it is staff's recommendation that there should be a brief presentation by those who have indicated interest and the following persons spoke regarding the Fillmore Center and its development: Reverend Amos Brown, Anthony G. Wagner, Third Baptist Church; Tom Gage, BPIA; Ulysses J. Montgomery, Arko Systems Associates; Wyner Spencer Sr., Prince Hall Masons; Nathaniel Mason and Naomi Gray, interested citizens.

At this time Mr. Glickman left the meeting at 6:50 p.m.

ADJOURNMENT

It was moved by Mr. Porter, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:55 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

APPROVED: JANUARY 27, 1981

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6/4/80

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
4TH DAY OF JUNE 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4 o'clock p.m. on the 4th day of June 1980, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard Wexler, President
Parree Porter, Vice President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Willie B. Kennedy

DOCUMENTS DEPT.

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and the following was absent:

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Melvin D. Lee

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Gail Shaeffer, Sheryl Smith, Margaret Britton, Ted Frazier, and Juanita Burroughs, San Francisco Coalition; Arnold Townsend, Western Addition Project Area Committee (WAPAC); and Steven Nakajo, Kimochi, Inc.

APPROVAL OF MINUTES

It was moved by Mr. Porter, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of February 26, 1980 and Adjourned Regular Meeting of April 23, 1980 as distributed by mail to the Commissioners, be approved.

REPORT OF THE PRESIDENT

President Wexler welcomed Mrs. Willie B. Kennedy to her first official meeting as an Agency Commissioner.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) He welcomed Mrs. Kennedy on behalf of himself and the staff and indicated there would be a reception for her Friday, June 6 at 5 p.m. to toast Mrs. Kennedy as a member of the Commission.
- (b) Mr. Hamilton indicated that the reappointment of Ms. Blomquist has been confirmed by the Board of Supervisors although she has not yet been formally sworn in.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (c) The Board of Supervisors reconsidered authorization for the SB-99 bond financing for Opera Plaza and reaffirmed that authorization by a vote of 7-4.
- (d) The Assistant Secretary of the Department of Housing and Urban Development (HUD), Lawrence Simons, talked to the Mayor today about the 300 units in Hunters Point reaffirming HUD's commitment to subsidize these units. Staff is proceeding with the developer designation for the 300 units and will soon calendar a recommendation for Commission consideration.
- (e) Staff met with the HUD Director of Urban Development Action Grant (UDAG), David Cordish, to discuss the question of potential UDAGs in redevelopment areas. Mr. Cordish toured the Agency projects with particular attention to the Western Addition A-2. Staff will have a recommendation for consideration in regard to the Fillmore Center.

NEW BUSINESS

- (a) Resolution No. 143-80 authorizing the Executive Director to enter into exclusive negotiations with Kimochi, Inc. for Parcel 688-A, 1529 and 1531 Sutter, Western Addition A-2.

Authorization is requested to enter into Exclusive Negotiations with Kimochi, Inc. for 180 days for a 6,875-square-foot parcel that will be the result of clearance to the 1529-31 Sutter Street buildings. Mr. Hamilton indicated that Kimochi proposes to construct a "board and care" facility for the elderly. On July 5, 1978 Kimochi was designated as the redeveloper of the lot at 1740-44 Laguna Street and the adjacent property at 1734-38 Laguna Street for such a board and care home. However, State licensing requirements precluded this use because it is a wood-frame structure over two stories high and that designation has lapsed. The construction cost estimates for this development range from \$750,000 to \$1 million; however, it is the belief of Kimochi that with this new development designation they will be able to secure State Aging funds and Community Development funds. Staff recommends that authorization be granted to enter into exclusive negotiations for 180 days with Kimochi, Inc. for a 20-bed facility for the elderly with facilities that include recreational and service facilities.

The Executive Director of Kimochi, Inc., Steve Nakajo, and Arnold Townsend, Western Addition Project Area Committee (WAPAC), spoke in support of this resolution. Mr. Townsend indicated that WAPAC did not have the opportunity to act on it and expressed concern that staff had not followed the established procedure for WAPAC review. President Wexler inquired about the time allowed for the WAPAC review before the item was calendared and Mr. Hamilton indicated that 45 days were provided. Mr. Gene Suttle, Area Director of Western Addition A-2, noted that he had believed there was sufficient understanding and acceptance in the community to have the recommendation calendared.

In response to Ms. Blomquist's inquiry about the status of a Laguna Street parcel, Mr. Suttle indicated that that parcel would be incorporated in a workshop on existing buildings in A-2.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 143-80 BE ADOPTED.

NEW BUSINESS (continued)

- (b) Resolution No. 144-80 authorizing the Executive Director to execute a change order to Demolition Contract No. 73 with Myron Demolition, Western Addition

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner, this item would be continued for two weeks to June 17. There being no objection, it was so ordered.

- (c) Resolution No. 145-80 approving and authorizing the Executive Director to execute a Letter of Agreement with the Department of Public Works for Street Tree Planting, Western Addition A-2.

Authorization is requested to execute a Letter Agreement with the Department of Public Works for planting street trees in the Western Addition A-2 in an amount not to exceed \$40,000. Under this agreement, the Department of Public Works will plant street trees on an as-needed basis which is projected to be 300 trees during the 18-month period. Mr. Hamilton indicated that staff evaluated the cost of having this work performed by private contractors and determined that it is less costly to have the Department of Public Works do the work. There is a cost saving that results from having the Department of Public Works perform the inspection and accept the plantings immediately upon completion of the work. The contract advertising and the administration of small street tree planting contracts is eliminated.

In response to Ms. Blomquist's inquiry, Mr. Demetrio Salvador, Chief of Engineering, indicated the previous contract was for 60 trees at a cost of \$11,000.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 145-80 BE CARRIED.

- (d) Resolution No. 146-80 authorizing rejection of all bids for Demolition and Site Clearance Contract No. 20, Hunters Point.

It is recommended that all bids be rejected for Demolition and Site Clearance Contract No. 20 and authorize staff to readvertise the contract. This contract provides for clearance of the last two wartime barracks in Hunters Point, which were being used as the Agency's site office. Five bids were received on May 19, 1980, but the apparent low bidder does not have a demolition license which made the low bid invalid, and the second apparent low bidder, Incono, was 64 percent above the Engineer's estimate. Staff believes readvertising will result in a bid that is closer to the staff estimate and recommends rejection of all bids received and authorization to readvertise this contract.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 146-80 BE ADOPTED.

- (e) Resolution No. 147-80 approving and authorizing the Executive Director to execute a Letter Agreement with the Department of Public Works for inspection services, Hunters Point, India Basin, and Inchon Village.

Authorization is requested to execute a Letter Agreement with Department of Public Works for \$50,000 for construction inspection services for

NEW BUSINESS (continued)

Hunters Point, India Basin, and Incheon Village. Improvements in these areas of approximately \$4.1 million will ultimately need to be accepted and maintained by the City, which requires that inspectors be on the site during construction to ensure that it conforms with City standards. The use of City inspectors will eliminate the need for the Agency to hire additional staff inspectors. It is recommended that this \$50,000 letter agreement be approved for inspection services to be paid on a time and material basis.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 147-80 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Porter, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:05 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Helen L. Sause", with a long, sweeping horizontal line extending to the right.

Helen L. Sause
Secretary

Approved: August 20, 1980

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6/10/80

PROCEEDINGS OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
10TH DAY OF JUNE 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 10th day of June 1980, the place, hour, and date duly established for the holding of such meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Parree Porter, Acting President
Charlotte Berk
Dian Blomquist
Willie B. Kennedy

DOCUMENTS DEPT.

and the following were absent:

Howard Wexler, President
Rubin Glickman
Melvin Lee

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The Acting President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were L. A. Kruse, Valentine Corp; Peter P. Mendelsohn, TODCO-TOOR; George E. L. Stewart, Western Addition Neighborhood Association (WANA); Adolph Philoxine, n Target; Gail Shaffer, Ted Frazier, A. C. Coleman, Richard Brown, San Francisco Coalition; Mary Rogers, Western Addition Project Area Committee (WAPAC); M. B. Fay, EOC South Park; Ben Johnson, South Park Gallery; and Sam Martinez, Dick Lewis, John Cross, John Ripdon, Willie Beasley, Pat Williams, and Eliska Mobley, interested citizens.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matter:

- (a) The Agency is very pleased with the response to the Request for Qualifications for the Mixed Use Development, Yerba Buena Center. Staff is reviewing the materials submitted and a more definitive analysis and selection process procedure will subsequently be recommended.

NEW BUSINESS

- (a) Resolution No. 148-80 approving bid withdrawal without penalty by Valentine Corporation and awarding Site Improvement Contract No. 21 to Tamal Construction Company, India Basin Industrial Park.

The Valentine Corporation has requested authorization to withdraw their bid, which was the low bid for Site Improvement Contract No. 21 in India Basin. Mr. Hamilton indicated that staff recommends approval of this withdrawal and award to the second low bidder, Tamal Construction in the amount of \$188,010. This contract will provide for construction of sidewalks, street tree planting, grading of adjacent P. G. & E. property, retaining wall construction and landscaping. The Valentine Corporation's bid was 32 percent below the staff estimate as a result of clerical and arithmetical errors. Since these were judgmental errors, legal counsel advises that the contractor can be allowed to withdraw their bid without penalty. The second low bidder Tamal Construction's bid was 12 percent below the estimate and the firm has satisfactorily completed work for the Agency and their

NEW BUSINESS (continued)

Affirmative Action and Safety programs are acceptable. Mr. Hamilton recommended approval of the withdrawal of the Valentine Corporation's bid without penalty and award of the contract to Tamal Construction Company in the amount of \$188,010.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 148-80 BE ADOPTED.

- (b) Resolution No. 150-80 authorizing the Executive Director to expend funds for repairs of Agency-owned property at 81 Third Street, Yerba Buena Center.

Authorization is requested to expend \$10,450 to repair the Agency-owned building at 81 Third Street in the Yerba Buena Center Project to correct Health and Safety Code violations. This building was acquired in April 1969 by the Agency and has continued to be occupied by Jerry's and Johnny's under a rental agreement. This bar and eating establishment was closed down for sanitation and maintenance discrepancies on March 21, 1980 and it cannot be reopened until the Director of Health has granted approval of the corrective measures taken. The \$10,450 represents labor and materials costs necessary to reopen the business. The owners of Jerry's and Johnny's rent this building for \$425 per month and since it is not expected the Agency will need this site for development for the next 13 to 24 months, the rental will nearly offset the \$10,450 necessary to keep this business in operation. Since there are no immediate plans for this site and no suitable nearby relocation resource for Jerry's and Johnny's, staff recommends expending the \$10,450 to correct the Health and Safety deficiencies to allow Jerry's and Johnny's to reopen.

Mr. Ted Frazier, Executive Director, San Francisco Coalition, indicated his support of continuing the operation of Jerry's and Johnny's.

Ms. Blomquist inquired why staff had not corrected the deficiencies before the Department of Public Health (DPH) had closed the business and Mr. Earl Mills, Deputy Executive Director, Community Services, indicated that staff had been working with DPH and the operators of Jerry's and Johnny's to prevent closure of the business but the primary work needed was cleaning activities. Acting President Porter inquired if the Health Department had given them an opportunity to make the corrections and Mr. Mills answered affirmatively but noted that there had been so much to do that they were unable to complete the work before the Department of Public Health took action to close the business.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 150-80 BE ADOPTED.

- (c) Resolution No. 151-80 authorizing the Executive Director to enter into a contract with Richard Gryziec for consulting services, Yerba Buena Center Approved Redevelopment Project Area.

RULE OF THE CHAIR: Acting President Porter indicated that subject to the objections of any Commissioner that Resolution No. 151-80 be held over for one week. There being no objection, it was so ordered.

- (d) Resolution No. 152-80 authorizing the Executive Director to execute a contract for consulting services with Keyser-Marston Associates for all Redevelopment Project Areas.

RULE OF THE CHAIR: Acting President Porter indicated that subject to the objections of any Commissioner that Resolution No. 152-80 be held over for one week. There being no objection, it was so ordered.

- (e) Resolution No. 153-80 selecting the Golden Gate-Hyde of the Bank of America as the Depository for the Golden Gateway Project Tax Allocation Bond Funds and authorizing certain personnel to administer same.

It is recommended that the Bank of America be designated to administer the Golden Gateway Tax Allocation Bond accounts until these funds can be turned over to the City. The bonds have been repaid and audits are now being completed to determine the distribution of funds to BART, the Agency and the City. These are bonds the Agency issued in 1968 to fund construction of the shell for the Embarcadero Station and the Bank of America has handled the funds under a trustee agreement, and staff recommends that this arrangement continue for approximately six months until the audit is completed and the accounts can be closed out. Mr. Hamilton recommended approval of the Bank of America as the depository for these accounts and designation of appropriate staff to make deposits and withdrawals from the account.

In response to Ms. Blomquist's inquiry, Mrs. Jane Hale, Assistant Executive Director, Finance and Administration, indicated that the funds are now being administered by the Trust Department of the Bank of America, but the Trust Agreement has expired and the funds need to be placed in a regular account until the audit is completed and the funds can be disbursed. Ms. Blomquist inquired whether the signatories listed are the staff members that usually perform these duties, and Mrs. Hale answered affirmatively.

ADOPTION: IT WAS MOVED BY MS. KENNEDY, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 153-80 BE ADOPTED.

- (f) Resolution No. 154-80 authorizing the Executive Director to enter into a one-year agreement for the provision of delivery services with On-Target Courier Service.

Authorization is requested to enter into a one-year contract with the On-Target Courier Service for \$1,300 per month. A courier service is required to pick up the Agency's mail at two post offices, City Hall, and two daily deliveries to the Agency site offices at Hunters Point, Western Addition A-2, and Central Maintenance. The On-Target firm has been providing this service since April, 1978 and because of the quality of their service and familiarity with the Agency's operations, staff recommends approval of a negotiated contract rather than seeking bids for this service. The proposed cost increase is forty dollars per month over last year's contract.

ADOPTION: IT WAS MOVED BY MS. KENNEDY, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 154-80 BE ADOPTED.

- (g) Resolution No. 142-80 establishing classifications of positions and compensation for the Agency staff and establishing the authority for appointment to and vacation from positions under said classifications and other related matters.

Approval is recommended of the resolution establishing Agency classifications and rates of pay for July 1, 1980 to June 30, 1981. These increases are in conformance with those adopted by the City in April and reflect an overall increase of 10.6 percent. The specific salary increases are based on established comparability either by Agency salary relationship or direct comparables with related City classifications. Changes of salary comparability relationships are proposed for several classifications which were based on staff's analysis of comparability, and meet and confer process with the union. These include such changes as a title change for the Assistant Director, Finance and Administration, to Deputy Executive Director, Finance and Administration, and realignment of the position with other Agency management positions, a 2-1/2 percent increase for the position of Area Director and for related positions to create a differential with technical chiefs, change of the Chief of Rehabilitation to the higher of the dual comparable for this position, a 2-1/2 percent increase for the position of Assistant Executive Director to align it with the technical chiefs, an increase of 2-1/2 percent for Personnel Officer to reflect increased responsibility.

NEW BUSINESS (continued)

as compared to similar positions in the City. In addition, two positions which were to be added, Principal Clerk Typist and Senior Legal Clerk as well as deletion of the Community Services Aide position, however, Mr. Hamilton indicated that he had been informed that the union has concerns about these positions of Principal Clerk Typist and the bumping procedure if the position is established. He recommended that until this issue is resolved the addition of these two positions be held.

Ms. Shirley Wysinger, Vice President of the Redevelopment Section of Local 400, indicated that the union had not requested removal of the Principal Clerk Typist from the salary resolution. She noted that the questions certain union members had raised regarding this classification were being worked out. Mrs. Hale indicated the request and noted that this item had been raised in a negotiating session, but had not been cleared through the President and Vice President of the union and confirmed that the indication of the union objections have been withdrawn, but this did not get communicated to Mr. Hamilton prior to the meeting.

Ms. Berk requested that consideration of this resolution be continued for one week and inquired if this would cause a timing problem. Mrs. Hale indicated that a week delay would create a problem in completing the paper work to implement the provision of the resolution but staff would make every effort to accomplish this by the July 1, 1980 effective date because if this was not done it would necessitate preparing retroactive salary increases which would double the amount of paper work. Ms. Berk expressed the belief that this was a major policy issue and she would feel more comfortable if more of the Commissioners were available to consider the matter. Ms. Blomquist expressed her support of Ms. Berk's request to continue this item for one week.

Acting President Porter inquired about the salary, and Mr. Hamilton indicated that the Agency's salaries are based on those paid by the City of San Francisco internal comparisons. He stressed that the Agency's salary schedules have been thoroughly reviewed. Acting President Porter noted that Ms. Berk was not stating opposition to this item but just wanted time to evaluate the proposal. She confirmed this understanding.

MOTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, THAT THIS ITEM BE HELD ONE WEEK, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Ms. Kennedy
Mr. Porter

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

The Acting President thereupon declared that the motion carried.

ADJOURNMENT

It was moved by Ms. Berk and seconded by Ms. Kennedy that the meeting be adjourned to an executive session. The meeting adjourned at 5 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

Approved: June 17, 1980

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6/17/80

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
17TH DAY OF JUNE 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4 o'clock p.m. on the 17th day of June 1980, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Parree Porter, Vice President
Charlotte Berk
Dian Blomquist
Melvin D. Lee
Willie B. Kennedy

DOCUMENTS DEPT.

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and the following was absent:

Rubin Glickman

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The President declared a quorum present.

Ilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Roosevelt Carrie, R. Carrie Agency; Jerry Keyser, Keyser/Marston; and Mary Rogers, Western Addition Project Area Committee (WAPAC).

APPROVAL OF MINUTES

It was moved by Mr. Porter, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of June 10, 1980, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

- (a) Today, the Planning, Housing and Development Committee of the Board of Supervisors considered the proposed use of the Myrtle Street Flats. The developer, Mr. Alan Wofsy, was not present at the meeting. Staff will report further on this matter when more information is available.
- (b) The joint Public Hearing with the Board of Supervisors on adoption of a Redevelopment Plan for the Bayview Industrial Triangle area is scheduled for June 23 at 4 p.m. in the Board of Supervisors' Chamber.
- (c) Construction started on the United Airlines building on Fourth Street June 13, 1980.

President Wexler expressed concern about construction delays caused by the carpenters' strike and asked staff to advise the Commission if it appeared that the strike would continue for a significant period of time.

UNFINISHED BUSINESS

- (a) Resolution No. 142-80 establishing classifications of positions and compensation for the Agency staff and establishing the authority for appointment to and vacation from positions under said classifications and other related matters.

UNFINISHED BUSINESS (continued)

Approval is recommended of the resolution establishing Agency classifications and rates of pay for the period of July 1, 1980 to June 30, 1981. These increases are in conformance with those adopted by the City in April and reflect an overall increase of 10.6 percent. The specific salary increases are based on comparability either to internal Agency salaries or to direct comparables with related City classifications. There are changes of salary comparability relationships proposed for several classifications, which are based on staff's analysis of comparability, and meet and confer process with the union. These include such changes as a title change for the Assistant Director, Finance and Administration to Deputy Executive Director, Finance and Administration and realignment of that position with other Agency management positions, a 2-1/2 percent increase for the position of Area Director and for related positions to create a differential with technical chiefs, change of the Chief of Rehabilitation to the higher of the dual comparable for this position, a 2-1/2 percent increase for the position of Assistant Executive Director to align it with the technical chiefs and an increase of 2-1/2 percent for the Personnel Officer position to reflect increased responsibility and comparables for similar positions in the City. In addition two classifications are to be added, Principal Clerk Typist, and Senior Legal Clerk, as well as deletion of the Community Services Aide classification. Mr. Hamilton recommended approval of the salary resolution.

Ms. Blomquist expressed her belief that such increases exceeded those available to those who work for private enterprise and do not have Federal funds made available to them. She indicated that she would not vote for the increase because of this difference between the private and public sector. She also believed that the salaries for governmental agencies should be brought into conformance with private industry. Ms. Berk noted that at the previous meeting she had requested that consideration of this item be held over one week because she believed that it was important for more than four Commissioners to be present to vote on it, since salaries were a large portion of the Agency's budget. Also, because the information had been received just before the last meeting Ms. Berk wished to have more time to evaluate this material. She believed that government was a highly labor-intensive business and even though funds for the Agency did not come from local sources, the passage of Proposition 13 created a climate which did not favor governmental spending; therefore, she shared Ms. Blomquist's concerns. However, she also appreciated the Agency's excellent staff and the fine services they provided. Mr. Porter stated that he had gone over the proposed salaries and supported the increases. Ms. Kennedy indicated that she was new on the Commission and did not have the previous years' increases to compare but after evaluating the proposal carefully, she believed it was in accordance with applicable City salaries and she supported the increases. President Wexler indicated that a number of the Agency's positions were based on the Executive Director's salary; therefore, he had evaluated positions in the City similar to that of the Executive Director and found it to be comparable. He believed that when the City approved salaries for its employees the Agency should not deviate from that. President Wexler also stated that he had extensive experience with salaries for employees in the private sector and each year the salaries in his firm are evaluated, and, to be competitive, their salaries will be increased more than 10.6 percent. He believed that there are a number of well-paid positions in the Agency, but staff performance is also good and in order to keep competent people, salaries have to be competitive. If salaries are low it may cost more in the long run. He stated that the funds are available and expressed his support for the resolution.

UNFINISHED BUSINESS (continued)

Ms. Blomquist stated that initiatives such as Proposition 13 and 9 were the result of excessive governmental spending and she believed that if such expenditures were not stopped, initiatives of this type would continue to be proposed. President Wexler inquired if there was a change in the number of staff that served "at the pleasure of the Commission" and Mr. Hamilton answered negatively.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. KENNEDY THAT RESOLUTION NO. 142-80 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Kennedy
Mr. Lee
Mr. Porter
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

Charlotte Berk
Dian Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

NEW BUSINESS

- (a) Resolution No. 152-80 authorizing the Executive Director to execute a contract for consulting services with Keyser-Marston Associates for all Redevelopment Project Areas.

Authorization is requested to enter into a contract with Keyser/Marston Associates for an amount not to exceed \$55,000, primarily to be used for the Yerba Buena Center project. There is a limited amount of the contract, \$5,000, for use in Hunters Point, India Basin, and Western Addition A-2. In addition to the need for general consultation for new development staff believes the mixed-use development in Yerba Buena Center requires the services of an economist to analyze and evaluate specific portions of the responses to the Request for Qualifications and to provide the services of a major accounting firm to analyze the developer's financial statements. These services will provide assistance to staff during the selection of the developer for this complex development. It may be necessary to provide additional consulting services during the land disposition negotiations and this need will be evaluated and a recommendation made at a future meeting. Mr. Hamilton recommended award of this contract to Keyser/Marston in the amount of \$55,000 to be expended over a two-year period.

Ms. Blomquist expressed concern that the Keyser/Marston firm had done a previous study on the Yerba Buena Center Gardens and had found the project economically infeasible. Mr. Hamilton indicated that Keyser/Marston had done the economic studies, which had led to the incorporation of other elements necessary to make the gardens feasible. Ms. Blomquist believed that Economics Research Associates (ERA) had established the feasibility of the program and Keyser-Marston had reviewed their studies and had opined that it was not as feasible as ERA had indicated. She believed that Keyser-Marston had actually discouraged the economic feasibility of the Gardens. Mr. Hamilton indicated that ERA was engaged as a consultant to provide information on theme parks and recreation activities, however, general

NEW BUSINESS (continued)

economics was not expected to be ERA's area of expertise. The Keyser/Marston firm was brought in as a general economist to evaluate the mixed-use aspect of the program. He believed that it was the result of Keyser/Marston's effective participation that had resulted in the Agency receiving ten responses.

In response to Mr. Lee's inquiry, Jerry Keyser of Keyser/Marston indicated there were nine people employed in the firm and there had been one minority person hired in November of 1979, who had left the firm a month ago and they are again recruiting for a minority person. Mr. Lee inquired about the qualifications needed and Mr. Keyser noted that degrees in business were necessary. Mr. Porter inquired about the position of the person who had recently left, and Mr. Keyser indicated that she had been hired as a librarian and a research analyst. However, she did not have specific training in these areas and apparently felt pressure by the work and decided to leave the firm rather than develop the skills needed. Mr. Keyser indicated that they had learned from that experience and are now trying to hire a qualified research analyst. In response to Ms. Berk's inquiry, Mr. Keyser indicated that a woman is employed in the firm as a principal. Mr. Wexler expressed his belief that the Commission needed to rely on staff recommendations in considering the consultants that are competent to provide the services and that staff is comfortable working with and he noted that Mr. Hamilton had also stated that it may be necessary to supplement and add in other consultants to do portions of the work as needed. He noted that the Agency is going through a new process and staff will subsequently advise the Commission what is needed to carry out the process. In response to Mr. Lee's inquiry, Mr. Hamilton indicated that staff was concerned about the firm's affirmative action program and will continue to pursue the matter. Mr. Lee indicated that based on that understanding he would support approval of the contract.

ADOPTION: IT WAS MOVED BY MR. LEE AND SECONDED BY MR. PORTER THAT RESOLUTION NO. 152-80 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Ms. Kennedy
Mr. Lee
Mr. Porter
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (b) Resolution No. 165-80 authorizing an amendment to the report on the Redevelopment Plan for the Bayview Industrial Triangle Redevelopment Plan.

This item authorizes amendment to the Report on the Redevelopment Plan for the Bayview Industrial Triangle area with regard to refinements in the estimated project costs. This Report was approved at the Agency meeting on May 6, 1980 for transmittal to the Board of Supervisors and at that

NEW BUSINESS (continued)

time the estimated net project costs shown on page 43 of the Report ranged from a minimum of \$3,697,138 to a maximum of \$6,712,138. Since that time, reevaluation of the estimated project costs and the range is now determined to be a minimum of \$4,744,369 to a maximum of \$6,666,969. This change is a result of a reduction in the amounts required to fund the Project Advisory Group, acquisition, demolition, and site clearance expenses. It is recommended that the Report be amended to reflect the most recent project cost estimates and a copy be forwarded to the Board of Supervisors prior to the Joint Public Hearing scheduled for June 23, 1980.

Ms. Blomquist indicated her approval of a reduction. Ms. Berk inquired about the reduction in funding for the Project Advisory Group and Mr. Hamilton replied that the further evaluation indicated that the funding needs of the group were not as expensive as first anticipated.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 165-80 BE ADOPTED.

- (c) Consideration of renewing the Blanket Fidelity Bond Coverage, all Redevelopment Project Areas.

Authorization is requested that staff be authorized to pay a three-year premium of \$6,141 to R. Carrie Agency for \$1,000,000 of coverage for renewal of the Agency's Fidelity Bond. In the past HUD has limited the amount of the Agency's Fidelity Bond to \$50,000, but it has now indicated that this amount can be increased. The annual premium for the Agency's previous \$50,000 policy was \$1,325 and the proposed annual premium for this policy of \$2,047 for \$1,000,000 coverage appears to be reasonable. Mr. Hamilton indicated that staff has had good experience with R. Carrie Agency is providing this coverage and recommends continuing with the firm. The Aetna Life & Casualty Insurance Co. would provide this coverage for three years for a total premium of \$6,141.

In reply to President Wexler's inquiry, Mrs. Hale indicated that R. Carrie Agency is currently the Agency's carrier of this insurance.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT BLANKET FIDELITY BOND COVERAGE BE RENEWED FOR ALL PROJECT AREAS.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:15 p.m.

Respectfully submitted,

Helen L. Sause
Helen L. Sause
Secretary

APPROVED

July 15, 1980

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14
7/15/80

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
15TH DAY OF JULY 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4 o'clock p.m. on the 15th day of July 1980, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Parree Porter, Vice President
Charlotte Berk
Dian Blomquist
Rubin Glickman (joined the meeting at 5 p.m.)
Willie B. Kennedy

DOCUMENTS DEPT.

and the following was absent:

Melvin D. Lee

AUG 15 1980

The President declared a quorum present.

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Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were U. J. Montgomery, Arko Associates, Inc.; Gerry Coyle, Cadillac Airview California, Inc.; Grant Sedwig, The Rouse Development Company, California; Ron Soskone, Olympia & York Equity Corp.; Glen Isaacson, Portman Properties; Ed Spieker, Trammell Crow Partnership; Gene Mays, Yerba Buena Center Associates; E. Hensen, Yerba Buena Center Associates II; Robert Simpson, MLTW, Turnbull Associates; A. Aswad, Rolaco Holding; Deborah Williams, Percira Associates; James H. Clay, Laco Corp.; Lyman Jee, Arcon Pacific; Maria Galatti, Vida Foundation; Gail Shaffer, San Francisco Coalition; David Friedman, Douglas Engmann, and Mario Ciampi, interested citizens.

Representing the press were Gerald Adams, San Francisco Examiner; Michael McWhinney, San Francisco Progress; and Marshall Kilduff, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Ms. Kennedy, and unanimously carried that the minutes of the Regular Meeting of June 17, 1980 as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Planning, Housing and Development Committee of the Board of Supervisors is meeting today to determine if the flats at 234-248 Myrtle Street are being improperly converted from residential to commercial use. This item is by Supervisor Britt, and a report will be made on the findings of that Committee.
- (b) Responses to Offering No. 21 in the Western Addition A-2 were received on July 10, 1980. Five responses were received for Parcel 743-A, located on the south side of Eddy, between Van Ness and Franklin, and two responses were

REPORT OF THE EXECUTIVE DIRECTOR (continued)

received for Parcel 768-A, located on the east side of Gough, between Golden Gate and McAllister. A list of names of those who responded is being sent to the Commissioners and a workshop will be scheduled to present those responses. It is anticipated that a recommendation for developer selection will be calendared within 60 days.

NEW BUSINESS

- (a) Presentation of Developer Teams responding to the Request for Qualifications Mixed-Use Development in the Central Blocks, Yerba Buena Center.

Mr. Hamilton indicated that there were ten developers who had responded to the Request for Qualifications, Mixed-Use Development and eight of them were present to introduce their teams. The two teams of Forest City Enterprises, Inc. and York-Hannover Developments, Ltd. were not present. Mr. Hamilton also indicated that there were summaries available on the development teams. In addition, copies of the responses had been placed in the library. He also noted that he was evaluating methods to provide citizen involvement. He noted that he was specifically considering a committee which would evaluate the responses and provide him with their comments. Mr. Hamilton indicated that it was expected that a preliminary recommendation would be made before the end of the month and that within thirty to forty-five days a final selection would be made.

President Wexler welcomed the developers and indicated that the teams would be invited to introduce their principals in the following order: Arko Associates II; Cadillac Fairview/California, Inc.; Olympia and York Equity Corporation; Campeau Corporation California and the Rouse Company; Portman Properties; Trammel Crow; Yerba Buena Center Associates; and YBC Associates. President Wexler indicated that the respondents to the Request for Qualifications (RFQ) represented the finest developers in North America and that the Agency was now in the position of choosing one from many excellent teams. He also commented that the Agency was looking forward to the involvement of citizens in the process. Each development team then introduced their principals and commented briefly on their experience.

Sue Hestor expressed appreciation of having the responses to the RFQ made more accessible to the public. However, she was concerned how the citizen input would take place and wished that clarified. She also inquired if it was appropriate for citizens to talk to the developers and as an example they could be asked about their Affirmative Action Programs. In response to her concerns, Mr. Hamilton indicated that questions of respondents in regard to the RFQ responses are permissible. Other questions such as inquiries about the program to be built in the project would be inappropriate. In regard to the Affirmative Action programs of the respondents each indicated acceptance of the requirements.

Maria Galatti, Friends of YBC Gardens, expressed her concern that the developers had emphasized their qualifications for doing hotel and office buildings. The emphasis for this program is to be on cultural, entertainment, in an urban gardens setting for use by San Francisco residents. She stressed that the hotel and office development is permitted as a bonus and

NEW BUSINESS (continued)

is secondary to the urban gardens. President Wexler indicated that the program in the RFQ required the gardens type of development and acknowledged that policy. A project of this nature has never been done in this or any country. He expressed the Commission's intention to work with the developers and the public to create a unique and magnificent development.

President Wexler indicated that the meeting would be recessed. The meeting recessed at 6:20 p.m. President Wexler left the meeting at this time.

The meeting reconvened at 6:30 p.m. with Mr. Porter presiding as President with the following roll call:

Parree Porter, Acting President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Willie B. Kennedy

- (b) Resolution No. 195-80 authorizing the Executive Director to approve payment for Legal Services in connection with settlement of litigation for the Yerba Buena Center.

Authorization is requested to pay \$1,612.56 to McCutchen, Doyle, Brown & Enerson for legal services in connection with the litigation of Taylor-Woodrow vs. the San Francisco Redevelopment Agency. In March, 1978 a contract was approved for the McCutchen firm to represent the Agency in this case for \$25,000. In January, 1979 the amount was increased to \$50,000 and in August, 1979 it was increased to \$100,000. The total amount paid to date is \$95,756.31, leaving a balance of \$4,243.19. The litigation has been successfully settled and staff is in the process of closing the case. However, the final billing is \$5,855.75 which leaves a shortage of \$1,612.56. The McCutchen firm has provided invaluable assistance in this case and staff recommends paying this difference, subject to HUD approval.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 195-80 BE ADOPTED.

- (c) Resolution No. 196-80 granting an extension of time for exclusive negotiations with Vida Foundation and Gustav Erpen for Parcel J-1, Diamond Heights.

Authorization is requested to extend exclusive negotiating rights to Vida Foundation and Gustav Erpen to October 15, 1980 for Parcel J-1 located on Diamond Heights Boulevard. As of June 30, 1980, HUD completed processing Vida's Firm Commitment application for 20 units of this housing for the handicapped, and is expected to issue a Firm Commitment within the next ten days. Beyond that six to eight weeks are needed to close this transaction and begin construction. Mr. Hamilton recommended approval of this extension.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 196-80 BE ADOPTED.

- (d) Resolution No. 197-80 authorizing amendment to the Land Disposition Agreement Schedule of Performance with SSC Realty for Parcel 756-A, northeast corner of Fillmore and Golden Gate, Western Addition A-2.

MOTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. KENNEDY AND UNANIMOUSLY CARRIED THAT AGENDA ITEM 9(d) BE CONTINUED TO JULY 22, 1980.

NEW BUSINESS (continued)

- (e) Resolution No. 190-80 authorizing issuance, sale and delivery of Redevelopment Agency Bank Note, for the purpose of funding construction loan, Opera Plaza, Western Addition A-2.

Mr. Hamilton indicated that this item may be heard on Friday, July 18, 1980 at 3 p.m. at an Adjourned Regular Meeting.

- (f) Resolution No. 198-80 authorizing the Executive Director to amend existing contracts with the Bayview-Hunters Point Joint Housing Committee, the San Francisco Coalition and the Western Addition Project Area Committee.

Authorization is requested to amend the existing contracts with the Agency-funded community organizations by increasing their contracts as follows: Bayview Hunters Point Joint Housing Committee, \$3,200; San Francisco Coalition, \$5,000; Western Addition Project Area Committee, \$20,000. On May 13, 1980 the Commission authorized staff to pursue with the Mayor's Office of Community Development these budget increases for 1980. Staff received approval on July 2 and now formal authorization is needed to amend the contracts. Mr. Hamilton indicated that Joint Housing Committee's increase would be \$3,200 rather than \$8,570 as originally requested as review of their previous salary adjustment revealed less need than previously anticipated. Mr. Hamilton recommended approval of increasing the Project Area Committee's contracts for the 1980 budget year.

Acting President Porter inquired if this was the amount previously requested by the San Francisco Coalition, Bayview Hunters Point Joint Housing Committee (JHC) and Western Addition Project Area Committee, and Mr. Hamilton answered affirmatively noting that only the amount requested by JHC was changed from the original request after a review determined that the funding needs were less than had been anticipated.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 198-80 BE ADOPTED.

- (g) Resolution No. 199-80 amending Resolution No. 299-79 to change Official Travel reporting requirements from monthly to quarterly.

This item recommends amendment to the Agency's travel policy to modify the requirements for reporting official travel from monthly to quarterly. There are few travel authorizations approved each month and therefore it would be more effective to report on a quarterly rather than a monthly basis.

Ms. Berk inquired if the travel report were only for the Commission, and Mr. Hamilton answered affirmatively.

ADOPTION: IT WAS MOVED BY DIAN BLOMQUIST SECONDED BY CHARLOTTE BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 199-80 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Kennedy, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned at 6:45 p.m.

Respectfully submitted,

Helen L. Sause
Helen L. Sause
Secretary

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7/22/80

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
22ND OF JULY 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California, at 4:00 o'clock p.m. on the 22nd of July 1980, the place, hour and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Parree Porter, Vice President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Willie B. Kennedy
Melvin D. Lee

and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Rev. John H. Lane, Hunters Point Ecumenical Ministries, Macky J. Sellers, SSC Realty, Paul F. Faberman, Paul Faberman & Co., Rev. Victor L. Maderias, Double Rock Baptist Church, N.E. Smith, Kimball Pr., S. Evans, BVHD, CDC, Ted Frazier, Willie Kelley, Ralph Hoder, SF Coalition, Thelma Kavanagh, Sr., Escort/Elderly Tenderloin, Bill Booth, Dr. Carlton Goodlett, Harold Brooks, Jr., BDI, Hunters Point, David Mischel, Mischel Const., In., Lennie Gaines, McKinnon Club, Joletha Head, 1715 Yosemite Ave., SF, Rev. D.J. Ridly, Wiley J. Pierce, Jr., H. Walters, 300 Paul Ave., SF, John Christian, Coordinating Council, G. Fonlinal, 30 Cashmere, SF, Barbara Coff, Mary Helen Rogers, Arnold Townsend, Essie Collins, Benny Stewart, WAPAC, Annie Halsted, Rebecca Evans, interested citizens.

Representing the press was Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Dian Blomquist, seconded by Willie Kennedy and unanimously carried that the minutes of the Regular Meeting of July 15, 1980, as distributed by mail to the Commissioners, be approved.

REPORT OF THE PRESIDENT

President Wexler reported that Vice President Parree Porter was being transferred by his Church to a position in Detroit. He commented that it was with deep regret the Agency had accepted Mr. Porter's resignation and on behalf of the Commission wished him well. He stated that Mr. Porter had been an outstanding Commissioner, displaying a great character, conviction and is one of the most principled people he had ever worked with. Mr. Wexler stressed that Mr. Porter's leaving is a tremendous loss to the City and the Agency and will be greatly missed. The other Commissioners also shared their feeling of great respect for Mr. Porter and a belief that it was a privilege to serve with him and the personal loss each felt at his leaving..

REPORT OF THE PRESIDENT (Continued)

Mr. Porter expressed his appreciation for these remarks and commented on his pleasure in working with the Commissioners and serving on the Agency.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) Ms. Dian Blomquist was sworn in today by the Mayor for another four year term.
- (b) Discussions have been taking place on the best way to involve the Commission and persons interested in the selection and development negotiation process for the central blocks of Yerba Buena Center. He stressed that he wanted to establish an ongoing form for citizen involvement which will permit persons with a historical identification with YBC to act together as an advisory group to the Agency. Mr. Hamilton indicated his recommendation that he believed would be most effective to establish a Director's Advisory Group to represent diverse and historical views of YBC. This group would meet with the Executive Director and senior staff to advise the Agency on significant actions with respect to the entire selection and negotiation process in YBC. The following persons representing a large cross section of interest have agreed to serve on such a group and are: Doris Kahn, Bernard Averbush, Judge Lazarus, Doug Engman, Michael McGill, Walter Johnson, Gene Coleman, John Elberling.

NEW BUSINESS

- (a) Resolution No. 200-80 granting exclusive negotiations to DD & A Consultants, Inc. and Tempest Corp., a joint venture, for the development of 300 cooperative housing units in Phase II, Hunters Point.

Authorization is requested to enter into exclusive negotiations for development of Sites, C, D & E in Phase II of Hunters Point. Mr. Hamilton indicated that at the meeting of July 1, the Commission entered into negotiations with DD & A and Tempest for a period of three weeks during which specific items were to be accomplished before consideration of the formal designation of the joint venture of DD & A and Tempest. The significant issues included submission of satisfactory evidence that the joint venture had been formed and that satisfactory language relative to the structuring of a downpayment assistance program; Mr. Hamilton indicated that the Agency has been advised that documents and exhibits have been submitted and reviewed by the Agency Counsel. This information documents the formation of the joint venture as a California Corporation, Arko/Tempest/Terra, and that the other conditions have basically been met. There were some concerns about the material submitted including such issues as the joint venture having someone with specific experience in structuring cooperatives of this type and the downpayment assistance program. Meetings with Mr. Phillips have provided assurances that these issues would be addressed. Mr. Phillips also indicated that the developer would defer profits in order to make downpayment assistance loans available as appropriate to provide an opportunity for people from the community to purchase the units. This matter will be refined as the Land Disposition Agreement is negotiated. Mr. Hamilton indicated that the Commission's conditions had been met and therefore, recommended approval of a 90 day exclusive negotiating period for the joint venture. The following persons spoke regarding this item: Rev. Victor Maderias, Double Rock Baptist Church; Charles Walker; Rev. John Lane, Hunters Point Ecumenical Ministries and Claude Carpenter, Bayview Hunters Point Joint Housing Committee. They expressed concerns that the community's views had not been thoroughly explored. They urged that the Commission hold the matter over to permit greater community participation.

NEW BUSINESS (Continued)

Mr. Hamilton noted that opportunities had been provided for community consideration and that it was necessary to submit the application for these units or risk losing a significant amount of time.

ADOPTION: IT WAS MOVED BY WILLIE KENNEDY AND SECONDED BY PARREE PORTER THAT RESOLUTION NO. 200-80 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Wexler
Mr. Porter
Ms. Berk
Mr. Glickman
Ms. Kennedy
Mr. Lee

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

Mr. Porter expressed concern about these comments indicating the Commission policy to hear all views. He recalled that at the public meeting when this had been previously considered, there was community support expressed for the joint venture. He believed that the proposed action would provide black firms with a significant development opportunity.

Ms. Blomquist noted her concern about the ability of the joint venture to carry out the project. She stressed that the fundamental issues were to get the 300 units under construction because of the need for the housing, the investment of time and money expended to date to insure development of the units and to achieve the actions necessary to meet the schedule.

- (b) Resolution No. 201-80 authorizing an amendment to the Agreement of May 15, 1973, between Tenants and Owners in Opposition to Redevelopment (TOOR) and the San Francisco Redevelopment Agency, Yerba Buena Center.

Authorization is requested to amend the Agreement between Tenants and Owners in Opposition to Redevelopment (TOOR) and the Agency. In the May 1973 Settlement Agreement for the litigation of TOOR vs. HUD, the Agency agreed to make four sites, Sites 1, 2, 3 and 4 available to Tenants and Owners Development Corp. (TODCO) for construction of subsidized elderly in Yerba Buena Center. The site designated as Site 3 in that agreement has been found by HUD to be undesirable for housing because of its proximity to the freeway ramps with poor air quality and high noise levels. Discussion with TODCO led to a mutual agreement to substitute this parcel for another site more suitable for housing. Staff recommends substituting Parcel 3751-H with Parcel 3751-B.

Mr. John Elberling, TODCO, indicated his support of this item.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 201-80 BE ADOPTED.

NEW BUSINESS (Continued)

- (c) Resolution No. 202-80 Authorizing the Executive Director to approve payment to Orrick, Herrington, Rowley & Sutcliffe for legal services, Yerba Buena Center.

Authorization is requested to make payment to Orrick, Herrington, Rowley & Sutcliffe for legal services in connection with Yerba Buena Center in an amount not to exceed \$6,860. Mr. Hamilton indicated that in May 1979 it was necessary for the Agency to obtain an immediate and detailed review of certain matters concerning the Duskin case. Staff reported that the Orrick firm had been requested to perform this work, but that there would not be sufficient time to prepare and approve a formal contract for the work. These services were performed by the Orrick firm in a manner which was of significant benefit to the Agency and the YBC project.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 202-80 BE ADOPTED.

- (d) Resolution No. 190-80 authorizing the issuance, sale and delivery of Redevelopment Agency of the City and County of San Francisco Bank Note, for the purpose of funding construction loan, Opera Plaza, Western Addition A-2.

The Agency's Bond Counsel, Mr. Ken Jones, outlined in detail the provisions of the document.

At this time President Wexler turned the chair over to Mr. Porter and left the podium, 5:45 p.m.

Ms. Mary Rogers, Chairperson, Essie Collins, and Arnold Townsend, Executive Director, WAPAC expressed concern about this use of tax exempt financing and indicated they did not understand how the SB-99 program worked. They also stressed their concerns about the use of the Section 312 financing and Marks Foran bonds. Mr. Hamilton suggested that community members meet with staff to discuss this further.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 190-80 BE ADOPTED.

At this time President Wexler returned and resumed the podium, 5:55 p.m.

- (e) Resolution No. 203-80 Ratifying and approving action of the Executive Director in soliciting bids for rehabilitation of 1400-12 Golden Gate and awarding contract to Mischel Construction, Inc., Western Addition A-2.

Authorization is requested to award a rehabilitation contract for the properties at 1400-12 Golden Gate Avenue in the Western Addition A-2, to the low of 3 bidders, Mischel Construction, Inc. in the amount of \$925,000. Mr. Hamilton indicated that this contract is for the rehabilitation of seven buildings containing seven units and is part of the Agency's condominium conversion program. Mischel Construction has satisfactorily completed rehabilitation work for the Agency and their Affirmative Action and Safety programs have been approved. It is recommended that award of this rehabilitation contract to Mischel Construction, Inc. be made.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 203-80 BE ADOPTED.

NEW BUSINESS (Continued)

- (f) Resolution No. 197-80 Authorizing execution of amendment to Schedule of Performance of the Land Disposition Agreement with SSC Realty for Parcel 756-A northwest corner of Fillmore and Golden Gate, Western Addition A-2.

Authorization is requested to extend the Schedule of Performance of the LDA with SSC Realty for the development of Church's Fried Chicken. The 18,906.25 square foot parcel is located at the northwest corner of Fillmore and Golden Gate in the Western Addition A-2. Mr. Hamilton indicated that in October 1979 the conversion authorized execution of the LDA and the developer submitted what he considered to be final construction drawings. The drawings were approved by staff except for some facade treatment and resolution of siting the building and landscaping. When staff met with the developer in February, he agreed to apply for a building permit immediately, however, he did not and when staff checked again in June the developer indicated that he could not apply for a building permit because there was dirt piled on the site preventing him from arranging for a survey and soils report. The developer had not previously advised staff of this problem. The developer was placed in default on June 11, 1980 for failing to submit evidence of equity capital and mortgage financing. However, staff has now been advised that the developer has submitted application for a building permit and satisfactory evidence of financing curing his default. In October 1978 the contractor of Fellowship Manor had been granted permission to temporarily store soil on this site, which was removed on July 11, 1980. It is staff's experience that even when there are structures on proposed development sites they have not prevented a developer from obtaining a survey or performing soils tests. However, due to these delays and because the developer is now proceeding toward an early commencement of construction, it is recommended that the LDA be amended to permit extension of the Schedule for Conveyance from April 15, 1980 to October 1, 1980.

Mr. Macky Sellers representing SSC Realty urged an approval of this recommendation.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO.197-80 BE ADOPTED.

- (g) Resolution No. 204-80 Authorizing exclusive negotiations with Goodlett Management Corporation DBA "Kimball Park Project", for parcel 707-B, northeast corner of Steiner and O'Farrell, Western Addition A-2.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner, Resolution No. 204-80 would be continued for one week. There being no objection, it was so ordered.

At this time, President Wexler turned the podium over to Parree Porter and left the meeting, 6:25 p.m.

- (h) Resolution No. 205-80 Approving acquisition and termination of Owner-Participation Agreement for Parcel 5238-2, northwest corner of Keith and Fairfax, India Basin Industrial Park.

Mr. Hamilton indicated the Agency Counsel advised this item was not needed.

RULE OF THE CHAIR: Acting President Porter indicated that subject to the objection of any Commissioner that this item be cancelled. There being no objection, it was so ordered.

NEW BUSINESS (Continued)

- (i) Resolution No. 206-80 Authorizing the establishment of a Citizens Advisory Committee and appointing members thereto for the Rincon Point-South Beach Redevelopment Project.

Authorization to establish a Citizens Advisory Committee for the Rincon Point-South Beach Redevelopment Project is requested and to appoint citizens to that committee. Mr. Hamilton indicated that staff is in the process of preparing the final Redevelopment Plan and anticipates submitting it to the Board of Supervisors for adoption in October 1980. The California Health and Safety Code, requires that the Redevelopment Agency, during preparation and implementation of the redevelopment plan, consult with and obtain advice of residents and community organizations which may be affected by the Plan. Seventeen people who were either former members of the Northeastern Waterfront Advisory or are property owners in the area were invited to participate to provide a broad base of citizen participation. Staff has been unable to contact two of the 17 people and they recommend these appointments be approved subject to the concurrence of these individuals. Mr. Morrison, the Port Commissioner, has requested that two additional places be reserved on the committee and staff concurs in this request. Your approval is recommended of establishing this committee and appointing certain citizens to that committee.

Ms. Anne Halsted and Rebecca Evans, spoke in support of this item.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 206-80 BE ADOPTED.

- (j) Resolution No. 207-80 Authorizing purchase of office furniture for the Rincon Point-South Beach Redevelopment Project Site Office.

Authorization to issue a purchase order to Stevenson and Son Office Equipment for \$3,284.00 is requested for office furniture to be used for the Rincon Point-South Beach site office. Mr. Hamilton recalled that the Agency was leasing space from the Port Authority for a site office within the Ferry Building and it is now necessary to furnish the office. Staff has checked for available Agency-owned furniture that could be transferred, but found none. Staff checked three vendors to obtain the best value and found that to be with Stevenson & Son Office Equipment. Mr. Hamilton recommended approval of the purchase of this furniture for the Rincon Point-South Beach site office.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 207-80 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Ms. Kennedy and unanimously carried that the meeting adjourn. The meeting adjourned at 6:35 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

APPROVED

June 23, 1981

SF
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7/29/80

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
29TH DAY OF JULY 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 959 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 29th day of July 1980, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Charlotte Berk
Dian Blomquist
Willie B. Kennedy
Melvin D. Lee

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and the following was absent:

Rubin Glickman

JUL 30 1981

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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Derrick Williams, Jim Dreer, Sue Lanier, and El Pearsen, Bridgemont High School; Kim Plio, Zaplin; Isaac Zafrani, Harbor Lumber Company; Deborah Williams, Pereira Associates; Elizabeth Bentley, Donald Bentley & Associates; Roman Tuason, The Concord Group, Inc.; Robert Peterson, Cychoi Associates, Architects; Ted Frazier, San Francisco Coalition; and Jess Centeno, interested citizen.

Representing the press were Gerald Adams, San Francisco Examiner; Marshall Kilduff, San Francisco Chronicle; and Michael Mewhinney, San Francisco Progress.

UNFINISHED BUSINESS

- (a) Resolution No. 160-80 authorizing termination of the Land Disposition Agreement with Nancylee Finley for Parcels FF-2, X-1 through X-10, Z-1 through Z-7, Z-9, and Z-10, Hunters Point Approved Redevelopment Project Area.

Mr. Hamilton indicated that he had been advised that Ms. Finley had a medical emergency and was unable to attend the meeting and had requested that the item be held over one week.

MOTION: IT WAS MOVED BY MS. BERK, SECONDED BY MRS. KENNEDY, AND UNANIMOUSLY CARRIED THAT THIS ITEM BE CONTINUED FOR ONE WEEK.

NEW BUSINESS

- (a) Election of Vice President

President Wexler indicated that as a result of the resignation of Vice President Parree Porter, the Commission would consider nominations for Vice President. Ms. Blomquist nominated Ms. Berk and Mrs. Kennedy seconded the motion. President Wexler inquired if there were any further nominations. There were none.

NEW BUSINESS (Continued)

MOTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT THE NOMINATIONS FOR VICE PRESIDENT BE CLOSED.

MOTION: IT WAS MOVED BY MR. LEE AND SECONDED BY MS. KENNEDY THAT CHARLOTTE BERK BE NOMINATED FOR THE OFFICE OF VICE PRESIDENT FOR THE REMAINDER OF 1980 AND ON ROLL CALL THE FOLLOWING VOTE "AYE":

Ms. Blomquist
Ms. Kennedy
Mr. Lee
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

Ms. Berk

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

Ms. Berk indicated her appreciation for this expression of confidence from the Commissioners in electing her to the office of Vice President.

- (b) Resolution No. 205-80 Selection of finalists, Mixed-Use Development, Yerba Buena Center.

Authorization is requested to select two development teams for further consideration in the selection of a developer of the Central Blocks of Yerba Buena Center and reject the offers to negotiate exclusively of four developers responding to the Request for Qualifications. Mr. Hamilton indicated that staff and its consultants, Economics Research Associates and Keyser Marston Associates have evaluated the responding development teams and recommended the following for further evaluation:

Cadillac Fairview California, Inc; Campeau Corporation, Calif./The Rouse Development Co., California; Olympia & York Equity Corp./Marriott Corp./Beverly Willis & Assoc.; Portman Properties; Trammel Crow Partnership; YBC Associates/Williams Realty Corp./Herbert McLaughlin, Charles H. Shaw Co.

These six finalists are among the strongest developers in North America and could bring extraordinary architectural, planning, and development talent to the Yerba Buena Center Mixed-Use Development. After careful evaluation and analysis of all of the teams and consideration of the recommendation of the Director's Advisory Group (DAG) staff recommends that the Commission adopt a resolution which formally rejects the offers to negotiate from the four teams not chosen for further consideration and continue consideration of the six remaining teams. Mr. Hamilton recommended adoption of a resolution which accomplishes that action. President Wexler indicated that the Commissioners had carried out their own evaluation and had carefully considered this recommendation.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 205-80 BE ADOPTED.

NEW BUSINESS (continued)

- c) Resolution No. 217-80 authorizing the Executive Director to enter into exclusive negotiations with Bridgmont High School for Parcel 3763-A, southeast corner of Third and Harrison, Yerba Buena Center.

President Wexler indicated that the Commission had just received the background information and wished to hold this item over until they had an opportunity to consider it thoroughly.

Lena Martelli of the student body of Bridgmont and Mark Lee, President Simpson College and member of the Board of Bridgmont, both spoke in favor of designating Bridgmont for development of a high school in YEC.

MOTION: IT WAS MOVED BY MS. KENNEDY, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED TO HOLD THIS ITEM FOR ONE WEEK.

- (c) Resolution No. 218-80 authorizing the Executive Director to enter into a contract with Harold Snedcof, Cultural Planner, for Professional Services in connection with the Central Blocks Yerba Buena Center.

MOTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED TO CONTINUE ONE WEEK.

At this point, President Wexler left the meeting at 4:55 p.m.

The meeting adjourned to an Executive Session at 4:55 p.m. for the purpose of considering potential litigation, and reconvened at 5:20 p.m. with the following roll call:

Charlotte Berk, Acting President
Dian Blomquist
Melvin Lee
Willie B. Kennedy

- (e) Resolution 208-80 authorizing execution of a work change order with Environmental Sciences Associates, Inc., for the Environmental Impact Report/Statement Contract, Rincon Point-South Beach.

Authorization is requested to approve a work change order to Environmental Science Associates (ESA) contract for the EIR/S for Rincon Point-South Beach. This change order would provide for (1) a new environmental review alternate at an additional \$7,800; (2) additional transportation/traffic consultations, at an additional \$2,600; (3) the complete printing of the Environmental Impact Report/Statement at an additional \$3,600 for a total change order of \$14,000. It has become necessary to develop a new environmental review alternate in place of the freeway removal alternative, as staff discovered that the environmental alternative, the Redevelopment Plan with the Embarcadero Freeway removed was not actually an alternative that the Commission has to choose from in deciding whether or not to act on the proposed Redevelopment Plan. Staff has developed a new environmental review alternative that includes 1610 additional housing units by almost doubling the density on the proposed housing sites; 250 additional housing units by deleting the hotel use on the parcel north of the Hills Brothers site; and 830,000 square feet of office space in place of residential

NEW BUSINESS (continued)

uses on the south side of the Rincon Annex site. Also, it is necessary to recalculate the aggregate totals of traffic and parking calculations completed by Wilbur Smith and Associates for the Survey Area because they were aggregated by different geographic areas. In addition, the contract originally required ESA to print the maps, charts and photographs and Agency staff would print and bind the Draft and Final EIR/IS. However, due to the present and anticipated workload of the Agency printshop, staff recommends addition of this work to the ESA contract. Staff recommends approval of this work change order to the ESA contract in the amount of \$14,000.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 208-80 BE ADOPTED.

President Wexler returned at 5:30 p.m. and assumed the Chair.

- (f) Resolution No. 209-80 awarding Site Improvement Contract No. 1R, Incheon Village Development, to E. Mitchell, Inc., in the amount of \$1,003,860 and rehabilitation Contract No. 1, Incheon Village Development, to Carlin Company, Inc., in the amount of \$1,824,315, subject to the United States Department of Housing and Urban Development making the necessary funds available.

Authorization is requested to execute a contract for Rehabilitation Contract No. 1 for Incheon Village Development to Carlin Co., Inc., the lowest of 5 bidders, in the amount of \$1,824,315. This award is subject to the availability of HUD funds. The contract will provide rehabilitation of 100 housing units, which work is necessary to bring the units into conformance with the SF Building Codes. It will include replacing roofs, deteriorating floors, painting, repairing and replacing damaged fixtures and other work necessary to make the units safe and fit for occupancy. This firm is competent and has performed similar work satisfactorily. Their AA and Safety programs are acceptable.

Mr. Borregard, Agency General Counsel, requested that these two items be combined into one resolution and award subject to the availability of HUD funding. He noted that both contractors have indicated their understanding of and agreement with this condition.

Authorization is requested to execute a Site Improvement Contract No. 1R for Incheon Village Development to the lowest of five bidders, E. Mitchell, Inc., in the amount of \$1,003,860, conditioned on the availability of HUD funds. This contract provides for modification of existing improvements including streets, paving, curbs, gutters, sidewalks, utilities, and landscaping, which is necessary to bring the area into conformance with applicable city requirements. This work will be done in conjunction with the preceding contract for rehabilitation work awarded to Carlin Co. The Agency's consultant redesigned the site improvements included in the contract and scaled down the scope of work which is not required to meet code requirements. These changes reduced the contract cost and the low bid is 16 percent below the engineer's estimate. The previous low bid on this contract which was rejected on July 1, was 45% above the engineer's estimate. E. Mitchell, Inc., has performed satisfactory work as a subcontractor on various substantial

NEW BUSINESS (continued)

contracts in Hunters Point and India Basin. They have satisfactory AA and Safety Programs.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 209-80 BE ADOPTED.

- (g) Resolution No. 211-80 awarding Demolition Contract No. 20R for demolition of two buildings at 1435 LaSalle, Hunters Point.

Authorization is requested to execute a Demolition and Site Clearance Contract, No. 20R, Hunters Point, to Myron Demolition Co. in the amount of \$5,300. This contract will provide for the demolition of the last wartime barracks in the project which were previously used for the Hunters Point Site Office. Myron Demolition Co. has performed several Agency demolition contracts in Hunters Point and Western Addition and although the bid is substantially below the other bids, it is the staff's opinion that based on Myron's experience in this type of work, they can readily perform the job at this price. The firm's AA and Safety Programs are satisfactory.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 211-80 BE ADOPTED.

- (h) Public hearing to all persons interested in the conveyance of Parcel 1-4, south side of Fairfax between Mendell and Keith to Gabriella L. and Wayne T. O'Connell, India Basin Industrial Park.

President Wexler opened the public hearing to hear all persons interested in the conveyance of Parcel 1-4, south side of Fairfax between Mendell and Keith to Gabriella L. and Wayne T. O'Connell, India Basin Industrial Park. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

Resolution No. 212-80 authorizing execution of the Agreement for Disposition of Land for private development and other conveyance instruments in connection with the sale of Parcel 1-4 to Gabriella L. O'Connell and Wayne T. O'Connell, husband and wife, approving the disposition value and ratifying publication of notice of public hearing, India Basin Industrial Park.

Authorization is requested to approve the Agreement for Disposition of Land to Gabriella L. and Wayne T. O'Connell for the parcel located on the south side of Fairfax Avenue between Mendell and Keith Streets in the India Basin Industrial Park. The disposition price is \$32,500 for this 24,010 sq. ft. parcel and is to be used for Ms. O'Connell's business, Living Interiors, which leases and maintains indoor plants used for decorative purposes by various businesses. In order to expand their operations, they will be consolidating their San Francisco and Sausalito locations and constructing a 14,240 sq. ft. structure on the site, which will be used for office plant maintenance and distribution of the plants and maintenance supplies. The firm now employs five persons and expects to have 10 by the time they move into their new facility, with a projected employment of 25 employees in two years. They support the neighborhood employment opportunities program and will cooperate in making all new

NEW BUSINESS (continued)

jobs available to community residents. The Performance Schedule requires Submission of Evidence of Financing-March 1, 1981, Conveyance of the Site-April 1, 1981, Commencement of Construction-May 1, 1981, and completion of construction by March 1, 1982. These dates are outside dates and the developer may perform earlier.

President Wexler inquired what mechanism would be used to ensure that a developer would meet the 20-person-per-acre hiring requirement, and Mr. Borregard indicated that such assurances were included in the language of the Land Disposition Agreement.

ACTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 212-80 BE ADOPTED.

- (1) Public hearing to hear all persons interested in the conversion of a rental duplex to condominium duplex of Jess and Angelita Centeno, Parcel 780-D, west side of Webster Street between McAllister and Fulton Streets, Western Addition Area A-2.

President Wexler opened the public hearing to hear all persons interested in the conversion of a rental duplex to condominium duplex of Jess and Angelita Centeno, Parcel 780-D, Western Addition Area A-2.

Resolution No. 213-80 amendment to agreement for disposition of land for private redevelopment with Jess Centeno, Jr., and Angelita L. Centeno, his wife, concerning the development of Parcel 780-D; ratifying and confirming publication of notice of public hearing, Western Addition Area A-2.

Authorization is requested to approve an amendment to the LDA with the Centenos for conversion of a rental duplex to a condominium duplex. Mr. Hamilton indicated that in January 1978 an LDA was entered into with the Centenos who stated they would occupy one of the units with family members occupying the other unit. When the duplex was near completion, the Centenos requested the conversion to allow the sale of the second unit to the family member who had intended to live there and also to more readily obtain permanent mortgage financing. The amendment which they have executed provides for (1) submission of certified development costs including sales prices for the units; (2) gross developer profit not to exceed 25 percent based upon the costs submitted; (3) submission of marketing program for Agency approval and certified actual development cost upon completion of sales, together with an agreement to deliver to the Agency any profit in excess of 25 percent to be used to establish Agency housing development funds; and (4) that they are required to occupy as their principal residence one of the duplexes for a minimum of one year.

Mr. Jess Centeno requested that the Commissioners waive the condition requiring his occupancy of the unit because since he and his wife had moved there in late April, they had been burglarized and beaten up and felt it unfair to be required to remain there for one year. Mr. Centeno indicated he did not freely agree to accepting this condition in the LDA. In response to President Wexler's inquiry, Mr. Borregard indicated such a waiver could be incorporated in the LDA if certain conditions prevailed. Mr. Centeno indicated this condition had not been in the original agreement. Mr. Benny Stewart and Mrs. Mary Rogers of WAPAC expressed opposition to waiving this condition and reported WAPAC's position was to require the Centenos to live in the property for a minimum of one year.

There being no further persons wishing to appear in connection with the matter, President Wexler declared the public hearing closed.

Mr. Lee concurred with WAPAC's position requiring the Centenos to remain in the building one year and suggested that if conditions changed, they could come back to the Commission. President Wexler recommended that the resolution state that the Centenos "own and occupy" the unit subject to a change of circumstances, which could be brought back to the Commission for reconsideration. Mr. Centeno inquired if that was for one unit only, and President Wexler answered affirmatively.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 213-80 BE ADOPTED AS MODIFIED TO REFLECT THAT JESS CENTENO, JR., AND ANGELITA L. CENTENO, HIS WIFE, OWN AND OCCUPY ONE UNIT SUBJECT TO A CHANGE OF CIRCUMSTANCES, WHICH COULD COME BACK TO THE COMMISSION FOR RECONSIDERATION.

- (j) Resolution No. 214-80 awarding Demolition and Site Clearance Contract No. 71-P2 to Wagner-Levine, Inc., and Jackson Kenneth Construction Company, a joint venture, for demolition of 330, 340, 350, and 360 Grove Street, Western Addition Area A-2.

Mr. Kernan indicated that the Parking Authority was not prepared to provide the necessary answers that the garage could be financed and recommended that the item be delayed until such assurances had been provided.

MOTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 214-80 BE CONTINUED INDEFINITELY.

- (k) Resolution No. 204-80 authorizing exclusive negotiations with Goodlett Management Corporation dba "Kimball Park Project", for Parcel 707-B, northeast corner of Steiner and O'Farrell Streets, Western Addition Area A-2.

Authorization is requested to grant exclusive negotiations for 60 days to Goodlett Management Corporation for the "Kimball Park Project" to be built on the 22,343-square-foot parcel located at the northeast corner of Steiner and O'Farrell Streets, Western Addition A-2. Mr. Hamilton recalled the background of Dr. Carleton Goodlett in the property, noting that an LDA was authorized with Dr. Goodlett for development of thirteen market-rate condominiums. As a result of various problems encountered elsewhere, the program was unable to proceed. Though several extensions had been granted to the performance dates, the last one in April 1979 when conditions had not been met, the LDA was allowed to expire. In August 1979, staff was authorized to negotiate a new LDA with Dr. Goodlett. It is now proposed that twenty dwelling units will be constructed, eighteen flats with 1,100 square feet, and two townhouses with 1,400 square feet. Staff now believes that the developer has assembled a team with sufficient technical expertise that will have the capacity to effect early implementation. On this basis, Mr. Hamilton recommended approval of exclusive negotiations with the Goodlett Management Corporation for a period of 60 days. Mr. Hamilton indicated that the Commission may wish to consider this matter on the basis of actual performance by continuing to finalize all of those matters necessary for the execution of an LDA, which would include the preliminary plans and satisfactory evidence of equity capital and review of financial data to assure the capacity of the developer to perform. That would provide an opportunity to measure performance.

Mr. Hamilton expressed the belief that the development was financially feasible and would provide the best opportunity for producing housing in a critical area in the Fillmore Center.

NEW BUSINESS (continued)

President Wexler indicated that it was his understanding that Dr. Goodlett had been awarded this LDA in October, 1976, with extensions through November, 1979, and that all rights automatically terminated at that time. He noted his understanding that the matter before the Commission for consideration is a proposal for a new exclusive negotiation period which would result in a land disposition agreement with Dr. Goodlett as opposed to granting a continuance of time on an existing agreement. Mr. Hamilton indicated that the action proposed provided for a 60-day period of exclusive negotiations to be used to assess the potential for the project to proceed. This would give the Commission the basis for deciding if they wished to authorize execution of an LDA. In response to Ms. Blomquist's inquiry, Mr. Hamilton indicated that the significant difference in this recommendation from the first designation of exclusive negotiating rights with this developer is that the development team has responsible members working on the project with a record of performance. Deputy of Development Hopkinson responded to Mr. Lee's inquiry indicating it would take approximately six months to offer the property and select a new developer.

MOTION: IT WAS MOVED BY MR. LEE AND SECONDED BY MS. BLOMQUIST TO PUBLICLY OFFER PARCEL 707-B, NORTHEAST CORNER OF STEINER AND O'FARRELL STREETS, WESTERN ADDITION A-2.

Ms. Kennedy indicated that although she had not been on the Commission during the four-year period that Dr. Goodlett had held negotiating rights to the land, however, she had seen other extensions granted and she believed that since staff has indicated that Dr. Goodlett is closer to completion than he has been before, she did not see the necessity of readvertising the parcel. She expressed her opposition to readvertising the parcel for public offering.

Mr. Hamilton indicated that it is Agency policy to negotiate the sale of parcels located in the Fillmore Center, and publicly offering this property for public bid was contrary to this policy.

ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Lee
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

Ms. Kennedy

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED TO READVERTISE THE PARCEL.

NEW BUSINESS (continued)

Mrs. Rogers expressed her belief the action of the Commission in offering Parcel 707-B for development is a violation of Agency policy of the plan for the Fillmore Center and inquired about the reason for the action.

President Wexler indicated that the issue raised by Mrs. Rogers should be considered and inquired about alternatives for negotiation of the parcel consistent with the Fillmore Plan. He noted that the Commission did not intend to change the policy, but were expressing the belief that the developer had had a full opportunity to proceed and wanted to have development proceed on the site. Mr. Hamilton asked for clarification on whether staff was to negotiate sale of the parcel with a developer other than Dr. Goodlett or advertise it for public bids. He noted that staff would need specific authorization to carry out either action.

MOTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, THAT THIS MOTION RESCIND THE PREVIOUS MOTION THAT AUTHORIZED READVERTISEMENT OF PARCEL 707-B, WESTERN ADDITION, A-2, AND AUTHORIZE STAFF TO PROCEED TO NEGOTIATE WITH A DEVELOPER OTHER THAN DR. GOODLETT, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Lee
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

Ms. Kennedy

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

Isaac Zafrani, Harbor Lumber Company, indicated his support of Dr. Goodlett developing this parcel.

- (1) Resolution No. 215-80 ratifying opening of a Bank Account for purposes of investing funds received from Opera Plaza, Western Addition A-2.

Ratification is requested to designate the Bank of California to handle the \$325,000 made available from Opera Plaza for administration and distribution under the Plan of Distribution and also to authorize certain personnel to administer this account. Mr. Hamilton noted that when Opera Plaza was selected as developer of Block 762-A, they agreed to make \$325,000 available to the Agency for administration and distribution to persons and entities entitled under the Plan of Distribution adopted August 21, 1979, which was to permit distribution of funds to lenders and investors of the previously unsuccessful developer, Philippine Cultural and Trade Center, Inc., and also certain creditors. Bank of California was selected because it is currently a depository for other Agency funds and also it is not one of the five banks that combined to lend the

NEW BUSINESS (continued)

developer money for the construction of Opera Plaza. Ratification of the Bank of California for this deposit is requested and that the following be designated to make deposits and withdrawals: Either - Deputy Executive Director, or - Deputy Executive Director for Community Services, or - Assistant to the Executive Director, and - Deputy Executive Director, Finance and Administration, or - Deputy Controller, or - Principal Accountant.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 215-80 BE ADOPTED.

- (m) Resolution No. 216-80 authorizing the execution and filing of subdivision and/or parcel maps and other instruments in connection therewith for certain lands in all Approved Redevelopment Project Areas.

Authorization is requested to file subdivision and parcel maps for certain land in all Redevelopment Project Areas. Mr. Hamilton indicated that these maps are generally prepared by the developers at their expense and reviewed by staff prior to conveyance. The State Subdivision Map Act and the City's Subdivision Map Ordinance also requires that these maps be signed by the property owner. It would simplify the process if the staff was to execute and file the necessary maps prior to conveyance of the sites rather than have the developer do so after conveyance. This also permits staff to determine if the proposed subdivision conforms to the Redevelopment Plan. Maps will be filed in conformance with an approved Agreement for Disposition of Land, Lease or Owner-Participation Agreement.

Mrs. Mary Rogers, Western Addition Project Area Committee (WAPAC), inquired about the impact this item would have on the Western Addition A-2 and Mr. Hamilton indicated it only changed the process.

Mrs. Rogers requested that this item be held over until she clearly understood it.

MOTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK AND UNANIMOUSLY CARRIED TO CONTINUE THIS ITEM UNTIL THIS PROCESS HAS BEEN REVIEWED WITH MRS. ROGERS.

- (n) Resolution No. 219-80 travel authorization for two staff persons to the NAHRO National Conference in New York on October 10-16, 1980.

Authorization is requested for Mrs. Helen Sause, Secretary, and Wilbur Hamilton, Executive Director, to travel to New York to attend the NAHRO National Annual Conference October 10-16, 1980. Cost to the Agency is not to exceed \$900.

Mr. Hamilton indicated he would be attending in his capacity as President of the Pacific Southwest Regional Council and Vice Chairperson of Community Revitalization and Development Committee and the cost of his travel is to be paid for by the PSWRC. Mrs. Sause will be attending in her capacity as President of the Northern California Chapter and Secretary for the Pacific Southwest Regional Council. In addition to participation in the national committee meetings, there will be consideration

Minutes of a Regular Meeting, July 22, 1980

NEW BUSINESS (continued):

of NAHRO's values, direction, priorities and structure; a major concern to all members of the organization, especially to the Western states.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 219-80 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned to an executive session. The meeting adjourned at 6:55 p.m.

Respectfully submitted,



Helen Sause
Secretary

APPROVED: December 9, 1980

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3/5/80

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
5TH DAY OF AUGUST 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4 o'clock p.m. on the 5th day of August, 1980, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Charlotte Berk, Vice President
Dian Blomquist
Melvin Lee

DOCUMENTS DEPT.

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and the following were absent:

Rubin Glickman
Willie B. Kennedy

SAN FRANCISCO
PUBLIC LIBRARY

The President declared a quorum present:

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Derrick Williams, Bernard L. Martin, Mary P. Martin, Jim Voegelzang, Glenna Ronkes, Bridgemont High School; Wiley Pierce, Jr., Dukes/Dukes and Associates, Inc.; Jennet Moses, Women's Realty; Peter Spears, Hunters Point Legal Assistant; John Clinton, Joletha Head, Martin White, Jeanette Wiseman, Bayview-Hunters Point Joint Housing Committee; Lee Soule, Soule Steel Company; L. Jamerson, Jamerson Printing Company; W. Kelley, San Francisco Coalition; Mary Rogers, Western Addition Project Area Committee; and Guy Enrique, Thelma Bridges, Eddie Sugustus, interested citizens.

Representing the press were Gerald Adams, San Francisco Examiner; Michael McWhinney, San Francisco Progress; and Marshall Kilduff, San Francisco Chronicle.

SPECIAL APPEARANCES

Jerry Diamond, Brotherhood in Motion, came forward to present a proposal for performance of the A-2 Beautification Program. He indicated that he now has a modified proposal and urged the Commission to consider it. Mr. Hamilton indicated that staff had not reviewed this new material but would evaluate the information that Mr. Diamond had provided. Mr. Diamond's original proposal was received some months ago and evaluated by staff and it was neither cost effective nor an improvement over the existing program.

President Wexler inquired if it would be appropriate to bring the matter back to the Commission for public consideration after the analysis is made of the new proposal, and Mr. Hamilton replied affirmatively. In response to Mr. Lee's inquiry, Mr. Hamilton indicated it could be heard within a short time; however, it would also require community review before it was brought back. Mrs. Mary Rogers, Chairperson, Western Addition Project Area Committee (WAPAC), inquired if the Agency had solicited bids for operation of this program and Mr. Hamilton answered negatively. Mrs. Rogers indicated that it would not be appropriate for WAPAC to consider the proposal unless it was in response to a bid.

SPECIAL APPEARANCES (continued)

Mr. Diamond indicated he would submit copies of the new proposal to Mr. Hamilton and community organizations on Monday morning and requested a hearing by the Commissioners in two weeks. He also expressed concern about setting a precedent by the program being offered on a bid basis. President Wexler indicated it appeared the two issues involved whether WAPAC should analyze the evaluation of the need for such a service. He suggested that Mr. Diamond discuss these issues with staff and the Project Area Committee. Mr. Diamond indicated that he would do so.

UNFINISHED BUSINESS

- (a) Resolution No. 160-80 terminating the Land Disposition Agreement with Private Redevelopment with Nancylee Finley for Parcels FF-2, X-1 through X-10, Z-1 through Z-7, Z-9, and Z-10, Hunters Point

Authorization is requested to terminate the Land Disposition Agreement (LDA) with Nancylee Finley for eleven parcels in Hunters Point. Mr. Hamilton recalled that at the June 24, 1980 Agency meeting the proposed termination of this LDA was continued to the July 8, 1980 meeting to provide Ms. Finley opportunity to provide clarification of the existence of a joint venture and a firm commitment for financing. At the July 8, 1980 meeting, the matter was again continued until the meeting of July 29, 1980. Due to a medical emergency, Ms. Finley requested the additional delay of one week. Mr. Hamilton indicated that staff had received a letter on August 5, 1980 dated August 1, 1980 which indicated that documents were to be delivered to the Agency for review prior to the meeting. The letter also indicated that Ms. Finley did not plan to attend this meeting and identified Mr. Morris Phillips as her spokesperson. Mr. Hamilton then indicated that staff had not received the information requested and in light of that and the delays during which no information has been provided it is recommended that the LDA be terminated with Ms. Finley. Mr. Morris Phillips, Tempest Corp., indicated that he had no material to present to the Agency and he was not representing Ms. Finley and had so informed her.

In response to President Wexler's inquiry, Ms. Hopkinson, Director of Development, indicated that staff discussions with California Federal Savings and Loan indicated that they had received most of the information needed that the contractor was acceptable; however, they had not sufficiently evaluated the material to allow issuance of a commitment. There is also no indication that Ms. Finley has applied for a building permit. Mr. Lee inquired about staff efforts to reach Ms. Finley and Ms. Hopkinson indicated that repeated attempts had been made and a Certified Letter had been sent to her on July 30, 1980 reiterating the material the Agency expected to receive prior to this Agency meeting, but there was no reply from her.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 160-80 BE ADOPTED.

- (b) Resolution No. 217-80 authorizing the Executive Director to enter into exclusive negotiations with Bridgmont High School for Parcel 3762-A, southeast corner of Third and Harrison, Yerba Buena Center.

Authorization is requested to enter into exclusive negotiations for 120 days with Bridgmont High School for the parcel located on the southeast corner of Third and Harrison in Yerba Buena Center. Mr. Hamilton indicated that Bridgmont proposes to construct a 14,000 square foot building for use

UNFINISHES BUSINESS (continued)

as a high school which would have exterior recreational space and parking for about 30 cars. At the present time the school is located in the Cogswell College facility on California Street and since the student body is from all of San Francisco, it plans to maintain a "downtown" location not identified with any one neighborhood. Development costs are estimated at \$2.5 million of which 50 percent will be raised by donations and the remainder by conventional financing. During the exclusive negotiated period schematic designs will be prepared and the terms of the disposition agreement negotiated.

Mr. Hamilton indicated that staff believes the use of this site for a high school serves a public purpose that is difficult to accommodate in an urban area. He noted that the issues raised by the area residents have been discussed at public meetings and these concerns appear to be mitigated by the proposed location of the school to a site more removed from the school's program. Staff recommends entering into exclusive negotiations for 120 days with Bridgemont High School.

The following persons spoke in favor of the Agency entering into exclusive negotiations with Bridgemont High School for Parcel 3762-A in Yerba Buena Center: Dr. William Hautt, President of Bridgemont High School; Derrick Williams, Alumni; Reverend William Turner, Community Baptist Church; Roman Tuason, Jr., the Concord Group, Inc. ; Kristina Detjen, Bridgemont High School student; Jim Killoran, Pacific Telephone and Telegraph; Reverend Shad Riddick, Pastor, Chapel Hill Baptist Church; Lee Soule, Board Member, Bridgemont High School; Robert M. Damir, Board Member, Bridgemont; Arellious Walker, True Hope Church of God in Christ; Adam Shepard, Bridgemont student; Robert Peterson, Architect, Bridgemont; Linda Hallen, Salvation Army; David Slepher, Vice President Bank of America and parent of Bridgemont student.

They believed that the school would be a beneficial use in the project because it would offer interaction between the elderly residents in the area and the young people at the school and that this site would afford a central location for students who come from all over the city. In addition, it would be in keeping with the proposals to provide active uses in the project.

In response to Mr. Lee's inquiry, Ms. Hopkinson indicated that permitted land uses for this parcel included general commercial, downtown support, retail, warehousing, and light industrial and she noted that there have been inquiries about its use for office and meeting halls. Mr. Lee inquired about the need for the students to be in the area and Dr. Hautt indicated that some students worked in the downtown area and noted they were primarily seniors on a 4-4 program, which is attending school half a day and working half a day. He also noted that some students paid for part or all of their tuition this way, and other students only worked after school. Dr. Hautt further indicated that Bridgemont had looked extensively for other sites as well as the possibility of rehabilitating an old school, which turned out to be too expensive and too large a square footage for their use.

Ms. Berk noted the limited number of parcels in Yerba Buena Center and expressed her concern about the use of this parcel for a school.

UNFINISHED BUSINESS (continued)

In reply to President Wexler's inquiry, Dr. Hautt indicated that the foundation for the school's fund raising was tax-exempt; however, the tuition was accounted for separately as income. President Wexler then inquired as to how the school achieved a Christian attitude, and Dr. Hautt replied that choices were laid out for the students, but the school believed it important to live in a Christian manner. Many of the students are from Jewish and Eastern backgrounds and the students are encouraged to study and discuss the whole spectrum of religion. President Wexler noted that as a general rule, property was put out to bid and if a unique benefit were provided to the project, the Commission could make an exception and negotiate for sale of the property. Mr. Lee indicated his agreement with President Wexler's statement of the Agency's policy and expressed the belief that the Agency had not exhausted its efforts to find other uses. President Wexler indicated his concern that this parcel be sold for the best use that would benefit San Francisco.

President Wexler inquired if there was a motion on the proposed resolution. There being none, he indicated that due to lack of a motion, the item died.

President Wexler announced that the meeting would be recessed for five minutes. The meeting recessed at 6:10 p.m. and reconvened at 6:15 p.m. with the same roll call.

NEW BUSINESS

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that Items 9(d) and 9(e) be heard before Item 9(a). There being no objection, it was so ordered.

- (d) Resolution No. 221-80 rescinding authorization to enter into exclusive negotiations with Arko/Tempest/Terra, a joint venture, for Sites C, D, & E, Phase II, Hunters Point
- (e) Resolution No. 222-80 authorizing the Executive Director to prepare and file documents and to take other necessary actions in connection with the Agency's development of Sites C, D, & E, Phase II, Hunters Point.

Authorization is requested to rescind exclusive negotiations with Arko/Tempest/Terra for the 300 units in Hunters Point Phase II. Also authorization is requested to prepare and file necessary documents to secure Section 8 application and take actions necessary for the Agency to develop the 300 units. Mr. Hamilton indicated that after exclusive negotiations were granted certain background on the principals of the joint venture were received and information on the HUD "previous participation" review process was obtained, which calls into question the ability of this joint venture to effectively perform. It particularly indicates that they cannot meet the August 15 deadline for the Section 8 application. It was learned that Seymour Braverman, a principal in Tempest, has been convicted of conspiracy and false statements to the government in connection with what we had been informed was a project in Los Angeles. Although Mr. Braverman or Tempest are not currently on the HUD debarment list, it came to the attention of the Agency that HUD has an additional level of review that occurs in Washington, D.C. and is made only after the Section 8 application passes a technical review, and the positive recommendation of the joint venture will not be made until a showing of ability to perform. Also, HUD's consideration may be affected by the fact that Ulysses J. Montgomery

NEW BUSINESS (continued)

of Arko has a previous history of management problems in connection with Federally-assisted projects in Western Addition A-2. Since securing the Section 8 commitment for these 300 units is of critical importance to the Agency, the City and the Hunters Point community and one of the fundamental basis of granting the exclusive negotiations to the joint venture was an assurance that they had the ability to file an effective Section 8 application by August 15; there is now serious doubt that they can perform because of their past record. The Agency has not concluded that the joint venture will be unable to obtain a Section 8 commitment, nor have the ability to make that judgment, but the uncertainty of the circumstances described is sufficient to rescind the exclusive negotiations.

Authorization is also requested to approve the preparation and filing of appropriate documents to secure Section 8 for the Agency and to take other necessary actions for the Agency to develop the 300 units. Mr. Hamilton indicated that HUD has stated that the Agency can act as the developer of the units and staff has determined the Agency has the capacity to do so and it is economically feasible to finance the project. Based on the interest of ensuring Section 8 for the 300 units it is recommended that staff be authorized to prepare the documents necessary to obtain the Section 8 commitment for the 300 units of housing at Hunters Point.

The following people indicated their support of Arko/Tempest/Terra Corp. and urged the Commission not to rescind exclusive negotiations with them: E. Williams, NCHP, Reverend Edwin T. Henry, Church of All Nations of Stockton, California; Arthur Brunwasser, Attorney for Arko/Tempest/Terra; Charles Walker, Willie Beasley, John Christian, Harold Brooks, Jr., Bayview-Hunters Point Coordinating Council; Sylvester Brown, Willie Kelley, San Francisco Coalition; Diane Holloway, Hunters Point/Management Consultant; Nat Mason and Martin White, BABDC; Claude Carpenter, Bayview-Hunters Point Joint Housing Committee; Ulysses J. Montgomery, Arko Systems, Ltd.; Wiley Pierce, Jr., Dukes-Dukes Consultants, Inc.; and Morris E. Phillips, Emory Curtis, Seymour Braverman, Leslie Zieffer, Tempest.

Mr. Sylvester Brown acted disruptively during the meeting and after several recesses were called by President Wexler, Mr. Brown was removed from the meeting by the San Francisco Police Department. The meeting continued. Mr. Hamilton reiterated the recommendation of staff to rescind exclusive negotiations with Arko/Tempest/Terra.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 221-80 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 222-80 BE ADOPTED.

It was suggested by the Executive Director, Wilbur W. Hamilton, that a motion be made on these items.

MOTION: IT WAS MOVED BY MR. LEE AND SECONDED BY MS. BERK THAT STAFF BE DIRECTED TO PURSUE WITH THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) THE ISSUE OF ARKO/TEMPEST/TERRA JOINT VENTURE'S ACCEPTABILITY FOR PARTICIPATION IN HUD FINANCIAL PROJECTS AND IF SUCH CLEARANCE WERE ACHIEVED THAT THE MATTER BE BROUGHT BACK TO THE COMMISSION FOR RECONSIDERATION OF SUBSTITUTION

NEW BUSINESS (continued)

OF THE JOINT VENTURE AS THE DEVELOPER, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Mr. Lee

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist
Mr. Wexler

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT DECLARED THE MOTION FAILED.

President Wexler announced that the meeting would be recessed for five minutes. The meeting recessed at 11:05 p.m. and reconvened at 11:15 p.m. with the same roll call.

- (a)—Resolution No. 218-80 authorizing the Executive Director to enter into a contract with Harold Snedcof, Cultural Planner, for professional services in connection with the Central Blocks, Yerba Buena Center.

Authorization is requested to execute a contract with Harold Snedcof for cultural planning services in Yerba Buena Center in an amount not to exceed \$27,500. The Yerba Buena Center (YBC) development requires the developer to set aside a minimum of 50,000 square feet of land for cultural uses, which will permit development of a significant cultural complex, which will be one of the elements that makes YBC a special place for San Franciscans as well as tourists. However, Mr. Hamilton indicated this particular element is one of the more difficult to achieve because it is nonrevenue producing and it is usually found that the participants are perpetually underfunded. It will take special efforts to achieve the appropriate mix of uses that can provide cultural experiences desired for the project and we must move ahead rapidly to get this in place. He indicated his belief that it was necessary to have a person under contract to provide this expertise, so they can be thoroughly knowledgeable about the project, program, and goals before negotiations are commenced with the developer. Staff had investigated and made inquiries from those active in the cultural community for a recommendation to someone with the expertise to formulate and advise on implementation. Mr. Harold Snedcof has been highly recommended as one with extensive experience in developing and implementing cultural programs. He noted that staff recommends your approval to contract with Mr. Snedcof for a one-year period in an amount not to exceed \$27,500.

In reply to Ms. Blomquist's inquiry, Mr. Snedcof indicated he had been a resident of San Francisco for two and a half years.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 218-80 BE ADOPTED.

- (b) Resolution No. 210-80 authorization is requested to approve Offering No. 9 for commercial development of a 16,753 square foot parcel located on Harrison between Third and Lapu Lapu at a sales price of \$235,000 and a 3,600 square foot parcel on the southeast corner of Fourth and Folsom at a sales price

NEW BUSINESS (continued)

of \$43,200, and the expenditure of \$3,600 for advertising purposes. These parcels are the two remaining sites available for business services and retail uses. The offering will be open for approximately 90 days. After staff review, the responses will be submitted to the Commission. The offering requires developers to submit schematic drawings with their responses to the offering which will include a site plan, typical floor plans, and elevations. Mr. Hamilton recommended approval of the offering, the sales prices, and advertising expenditure not to exceed \$3,600.

In response to Ms. Blomquist's inquiry, Mr. Hamilton indicated that the parcel on the southeast corner of Third and Harrison in which Bridgemont High School was interested could be included in Offering No. 9; however, he recommended against it because he believed Commissioner Kennedy was interested in the matter and suggested that it be calendared after her return. President Wexler inquired if the parcel could be offered separately and Ms. Hopkinson answered affirmatively. President Wexler suggested that the parcel be calendared as soon as possible so it could be put out to public bid.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 210-80 BE ADOPTED.

- (c) Resolution No. 220-80 Travel authorization to inspect developments of proposed teams in connection with the Mixed-Use Development, Yerba Buena Center

Authorization is requested for one Commissioner and three staff members to travel to various cities to inspect the projects of six development teams on August 10 through August 16. On July 29, 1980, six firms were chosen for further consideration and Mr. Hamilton believed it is important to see the representative projects built by these developers and designed by their planning/architecture/design teams. In addition to himself, Ms. Judith Hopkinson, Director of Development, Mr. Edmund Ong, Chief of Architecture, and Commissioner Blomquist would be traveling to the following cities: Toronto, Boston, Baltimore, Columbia, Washington, D.C., Atlanta, New Orleans, Dallas, and Tulsa. The total cost is estimated to be \$6,000. Due to the extreme importance of this development to the city and importance of understanding the previous experience of each developer in order to make a thorough and valid evaluation, Mr. Hamilton recommended approval of this travel.

MOTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK THAT THREE STAFF MEMBERS AND ONE COMMISSIONER BE AUTHORIZED TO TRAVEL TO VARIOUS CITIES TO INSPECT THE PROJECTS OF SIX DEVELOPMENT TEAMS ON AUGUST 10 THROUGH AUGUST 16, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Mr. Lee
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

Ms. Blomquist

NEW BUSINESS (continued)

- (f) Resolution No. 223-80 granting El Bethel Terrace, Inc. an extension of exclusive negotiations for Parcel 774-C, southwest corner of Golden Gate and Fillmore, Western Addition A-2.

Authorization is requested to extend exclusive negotiations with El Bethel Terrace, Inc. for 120 days for their proposed 100 units of low-income elderly housing to be located on the southwest corner of Golden Gate Avenue and Fillmore Streets in the Western Addition A-2. This housing is to be financed under the Section 202 program with Section 8 rent subsidies. Staff recommended a 90-day exclusive negotiation with El Bethel on May 6, 1980, which expired August 4, 1980. El Bethel's application has been processed in the HUD Area Office and forwarded to HUD Central for review, approval, and certification that funds are available. Although HUD estimates a response in about thirty days, it is staff's experience in these matters that a minimum of 120 days should be allowed for processing the application and to retain site control until processing is completed. As reported previously, staff believes WAPAC Board supports this development, but the Chairperson, Mary Rogers, has continued to express concern about the amount of senior citizen housing in Western Addition A-2. When funds are assured, variances of the Western Addition A-2 plan will be calendared for Commissioner consideration on density and parking and Mr. Hamilton recommended approval.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 223-80 BE ADOPTED.

- (g) Resolution No. 224-80 authorizing the Executive Director to contract with Coast Fence Company for Fencing Services, all Redevelopment Projects.

Authorization is requested to enter into a two-year contract for fencing services for all projects to the low of two bidders, Coast Fence Company, in an amount not to exceed \$64,700. This contract provides an estimated 10,000 lineal feet of fence, 15-twenty-foot double gates, 30-twelve-foot double gates, and 30-four-foot walk gates. Present fencing suitable for reuse at other locations will be credited to the Agency and there will also be a specified amount of fencing that has a salvage value only. Fencing services are required for present and future rehabilitation and demolition sites, to replace destroyed or damaged fencing and to isolate "attractive nuisances" from children. Approval of this contract is recommended by staff.

In response to Ms. Blomquist's inquiry, Mr. Mills, Deputy Executive Director, Community Services, indicated he would have the cost of the materials and the amount of the last contract sent to her.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 224-80 BE ADOPTED.

- (h) Public Hearing to hear all persons interested in the conveyance of Parcel 785-A (1), 685 McAllister Street, to Elizabeth Jamerson, Western Addition A-2.

Resolution No. 225-80 authorizing execution of Agreement for Disposition of Land for Improvements for private rehabilitation and other conveyance documents in accordance therewith and ratifying publication of Notice of Public Hearing for Parcel 784-A (1), Western Addition A-2.

MOTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT THIS ITEM SHOULD BE CONTINUED FOR TWO WEEKS.

NEW BUSINESS (continued)

- (i) Resolution No. 226-80 authorizing the Executive Director to execute a Fiscal Consultant Services Contract with Katz, Hollis, and Coren Associated, Inc., Rincon Point-South Beach.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that this item be continued to the next meeting. There being no objection, it was so ordered.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 11:55 p.m.

Respectfully submitted,

Helen L. Gause

Helen L. Gause
Secretary

Approved December 9, 1980

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9/26/80

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
26TH DAY OF AUGUST 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:30 p.m. on the 26th day of August 1980, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Dian Blomquist
Willie B. Kennedy
Leroy King

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and the following were absent:

Charlotte Berk, Vice President
Rubin Glickman
Melvin D. Lee

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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Western Addition Project Area Committee (WAPAC); Harold B. Brooks, Jr., Bayview-Hunters Point Joint Housing Committee; Andre Dupre, Western Addition Council of Public Service Agency; Margaret Henderson, Ruby Ballard, Christina Caesar, Murreall Cheather, Willie Wilder, Robert Jones, George Jordan, and James P. Joyner, interested citizens.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) On August 19, 1980 bids were opened on the sale of Project Notes. For the Western Addition A-2 in the amount of \$14,020,000, the successful bidders were the Bank of America for \$10,000,000 and the United California Bank for \$4,020,000. The average interest rate was 5.416% which replaces the previous notes in the amount of \$14,680,000 at 5.17%. For the Yerba Buena Center Project the amount was \$17,030,000 and the successful bidder was the Bank of America with an average interest rate of 5.427% which replaces the notes in the amount of \$18,020,000 at 5.15%.
- (b) The interviews of potential developers of the Yerba Buena Center central blocks are continuing.

REPORT OF THE PRESIDENT

President Wexler indicated his pleasure in officially welcoming Leroy King to the Agency Commission. He expressed the belief that Mr. King will be a great asset to the Commission. He indicated that Mr. Porter had set a very high standard and indicated his belief that Mr. King was a person who could measure up to this standard.

NEW BUSINESS

- (a) Resolution No. 235-80 authorizing the Executive Director to request financial settlement and execution^o of Closeout Agreement, India Basin Industrial Park.

Authorization is requested to approve the India Basin Closeout Agreement between the Agency and the City. This agreement has been concurred in by HUD and was prepared in conjunction with our staff but varies from the standard form in two of the paragraphs which commits the surplus grant and land sales proceeds to India Basin first, then to other projects. There is now available from grants and land sales proceeds for India Basin sufficient funds to pay off our indebtedness under the Loan and Grant Contract. HUD would like this completed before the end of the fiscal year, September 30.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 235-80 BE ADOPTED.

- (b) Public hearing to hear all persons interested in the conveyance of Parcel A-2, Southwest corner of Cargo Way and Mendell, to MSA Industrial Development, India Basin Industrial Park.

Resolution No. 233-80 authorizing execution of Land Disposition Agreement and other Conveyance and related documents in connection with sale of Parcel A-2 to MSA Industrial Development, approving Disposition Price and ratifying publication of Notice of Public Hearing, India Basin Industrial Park.

Authorization is requested to execute the Land Disposition Agreement (LDA) with MSA Industrial Development, for a 74,024 square foot parcel, located on the southwest corner of Cargo Way and Mendell Street in the India Basin Industrial Park. MSA is a joint venture owned equally by MKGK, Inc., a planning and economic consulting firm and San Francisco Property Management Co., and George Avanesian, an architect, who also is responsible for the design of the project. This parcel has a disposition price of \$150,000. The building will have approximately 31,000 square feet and be developed and sold as industrial condominiums marketed to local, small businesses, with units ranging between 1,800 and 6,600 square feet. Mr. Hamilton indicated that the marketing plan which the developers will use focuses on working with community-based and minority entrepreneurs and staff has introduced them to the Bayview-Hunters Point Local Development Corporation and they have also discussed this concept with industrial commercial real estate firms and have received positive and enthusiastic responses. The developers anticipate using the SBA 502 program for take-out financing and a conventional loan for construction financing. Mr. Hamilton also indicated the developers are aware of the Agency's goal for labor-intensive development which they will screen potential purchasers for and

NEW BUSINESS (continued)

the neighborhood employment opportunity program. To ensure owner-occupants make all new jobs available to qualified community residents, they will include those requirements in the condominiums agreements. Submission of evidence of financing, March, 1981; commence construction, May, 1981; and completion of construction, March, 1982. These are outside dates and the developer may perform earlier than these dates. After more than two months the Joint Housing Committee has made no response or raised any objection to this proposal and staff recommends approval of this LDA with MSA Industrial Development.

President Wexler inquired if there had been any comment from the Joint Housing Committee, and Mr. James Wilson, Area Director of Hunters Point, indicated that the material had been sent to the Joint Housing Committee (JHC) in December, 1979; however, they had not responded.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 233-80 BE ADOPTED.

- (c) Resolution No. 226-80 ratifying execution of a contract for Fiscal Consultant Services with Katz, Hollis, Coren and Associates, Inc., Rincon Point-South Beach.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that this item be continued for one week. There being no objection, it was so ordered.

- (d) Resolution No. 234-80 approving Standard Personal Services Contract for Reuse Appraisal Services with James A. Porter, M.A.I., Mills-Carneghi, Inc., All Projects.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that this item be continued for one week. There being no objection, it was so ordered.

- (e) Consideration of proposals for the audit of six sets of bond books.

Approval is requested to authorize Clarence White to perform audits of bond funds for the Golden Gateway Tax Allocation Bonds, the Hunters Point Lease Revenue bonds, George Moscone Convention Center Lease Revenue Bonds, the Mission Plaza Apartment Project Bonds, and the Residential Rehabilitation Loan Program M-4-1 and M-4-2. Proposals were received from eight Certified Public Accounting Firms with Mr. White submitting the low bid of \$3,700. Mr. White has worked for both the City of Oakland and their Redevelopment Agency and he was found to be qualified to perform such audits.

Mrs. Mary Rogers, Chairperson, Western Addition Project Area Committee (WAPAC), inquired if the firm being considered was a minority firm, and Mrs. Jane Hale, Deputy Director of Finance and Administration, indicated affirmatively.

MOTION: It was moved by Ms. Blomquist and seconded by Ms. Kennedy and unanimously carried that the audit of six sets of bond books be awarded to Mr. Clarence White.

NEW BUSINESS (continued)

- (f) Resolution No. 236-80 approving Encroachment Agreement with Kazue and Akira Togasaki, Parcel 675/19, 1848-50 Buchanan, Western Addition A-2.
- (g) Resolution No. 237-80 approving the First Amendatory Agreement to the Addendum to the Agreement contemplating a Land Disposition Agreement with the Nihonmachi Community Development Corp., Parcel 675-F(2), east side of Buchanan, between Sutter and Bush, Western Addition A-2.

Authorization is requested to approve an Encroachment Agreement with Kazue and Akira Togasaki for the parcel located at 1848-50 Buchanan Street and approval of a First Amendatory Agreement to the Disposition of Land with the Nihonmachi Community Development Corp. for the parcel located on the east side of Buchanan, between Sutter and Bush in the Western Addition A-2. At the meeting of November 27, 1979, the Commission approved a Land Disposition Agreement (LDA) with Nihonmachi Community Development Corporation for this parcel to Mr. and Mrs. Jitsuzo Nakamoto. Since that time several things have occurred, the relocation of the common side sewer has been completed; it was found that the property owned by the Togasaki's encroached on the parcel to be conveyed to the Nakamoto's and an encroachment agreement has been agreed to; however, the developer had to readjust the configuration of his proposed building. Mr. Nakamoto indicates that there is now a more favorable market and financing is available. However, the above has delayed the Nakamoto's and it is requested that the Schedule of Performance be revised as follows: Submission of evidence of financing, June 15, 1980 to February 28, 1981; Commence of Construction, August 15, 1980 to April 30, 1981; and Completion of Construction, August 15, 1981 to April 30, 1982. These are outside dates and if they are missed, the developer is in default; however, he is hopeful they will be accelerated.

ADOPTION: IT WAS MOVED BY MS. KENNEDY, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTIONS NO. 236-80 and 237-80 BE ADOPTED.

- (h) Resolution No. 238-80 authorizing appointment of members to the 312 Loan Review Committee and adoption of procedures and guidelines, in connection therewith, Western Addition A-2.

Authorization is requested to establish a 312 Loan Review Committee for the 312 Loan Program in the Western Addition A-2. Staff proposes that a five member loan committee comprised of four community residents and property owners and Earl Mills, Deputy Executive Director to review the submission of applications to ensure that maximum opportunity is afforded to small property owners in the community. This committee will meet and set a priority list to be reviewed and approved by the Executive Director from among those applicants who have evidenced interest in such loans. The agreed upon criteria for setting the priority list for owners of 1-4 units is as follows: 1) preference to those property owners who can least afford a conventional loan; 2) preference for owner occupants, with priority to owner occupants of single family residents; and 3) preference to properties containing most number of units for dollar cost. By involving the loan committee in the selection process, these scarce low interest loans will be made by representatives of the community with staff continuing to provide necessary technical expertise in packaging the loans.

NEW BUSINESS (continued)

Mrs. Mary Rogers, Chairperson, Western Addition Project Area Committee (WAPAC), expressed her concern about having an Agency staff person serve on this committee, and Mr. Hamilton indicated that this had been done at his direction since ultimately the Agency would have to decide how to allocate these scarce funds; therefore, he recommended that a staff person serve on the Committee to represent the Agency's philosophy. President Wexler indicated that since the appointment of persons to the Marks-Foran Committee had been done by the Commission, he believed it would be appropriate to have the recommended participants for this committee appointed by the Commission. Mr. Hamilton indicated that even though there is some similarity in this committee from the Marks-Foran Loan Committee, he would bring the appointments to the Commissioners for consideration. Ms. Blomquist indicated her understanding of Mrs. Rogers' concerns, but in this case she supported the staff position because the Agency was responsible for allocation of the scarce resources.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST AND SECONDED BY MS. BLOMQUIST THAT RESOLUTION NO. 238-80 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Blomquist
Ms. Kennedy
Mr. King
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

At this time, 5 p.m., President Wexler left the meeting and a quorum was lost.

Acting President Dian Blomquist indicated that President Wexler had a personal emergency which required him to leave and noted that the workshop was noticed not to occur until 6 p.m. and the remaining Commissioners would reconvene at that time to participate in a presentation of the Fillmore Center.

- (i) Workshop on the Work Program and Detailed Marketing and Development Program for the Fillmore Center, Western Addition A-2.

Mr. Hamilton indicated that the purpose of the Workshop was to consider the development strategy for the Fillmore Center in the Western Addition A-2. He recalled that in May, 1978, a planning effort was undertaken for the Fillmore Center Area by the firm of Jenkins and Fleming which resulted in an Urban Design Plan for the area. He noted that Keyser Marston was involved in an evaluation of the economics and the development feasibility.

NEW BUSINESS (continued)

There was significant participation from the Western Addition community in this process. At that time 12 separate parcels were identified on the approximately 16 acres with a mix of uses including commercial, office, hotel and entertainment. The marketing and development program approved by the Commission specified that separate developers would be chosen for each parcel by negotiation and brought before the Commission for consideration, except for the major housing site on Parcel 726-B which a developer would be selected as the result of a public offering. In response to Mr. Hamilton's request, Ms. Judith Hopkinson, Director of Development, made a presentation of the proposals for the Fillmore Center using maps and drawings of the area to describe recommendations for the use of the Fillmore Center parcels.

Mrs. Mary Rogers, WAPAC, expressed concern about the placement of a church on a parcel in the area. It was indicated that the complex which included the church also had other components and staff noted that information on the siting of these uses had just been for the first time and had not been evaluated. There being no further comments, the Commissioners departed at 7:05 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

APPROVED: SEPTEMBER 11, 1980

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
2ND DAY OF SEPTEMBER 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4 o'clock p.m. on the 2nd day of September 1980, the place, hour, and date duly established for the holding of such meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Charlotte Berk, Acting President
Dian Blomquist (arrived at 5:05 p.m.)
Rubin Glickman
Willie B. Kennedy
Leroy King
Melvin D. Lee

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and the following was absent:

Howard Wexler, President

The Acting President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arthur Tam, Arthur Tam and Associates; Arthur Levy, Maurice S. Hyman; Mary Rogers, Western Addition Project Area Committee (WAPAC); Rosalind Baltimore and Joseph Chew, Eddy Place; Michael Stepanian and Tora Potter, Stadtmuller House Association; Henry Barak, San Francisco Development, Ltd.; and Maurice Hyman and Charles Krause, interested citizens.

Representing the press was Jerry Adams, San Francisco Examiner.

NEW BUSINESS

- (a) Resolution No. 226-80 ratifying execution of a contract for Fiscal Consultant Services with Katz, Hollis, Coren and Associates, Inc., Rincon Point-South Beach.

Ratification is requested in awarding a contract to Katz, Hollis, Coren and Associates, Inc. to evaluate the tax increment financing in the Rincon Point-South Beach Redevelopment Plan for a ten-month period for an amount not to exceed \$30,000. Mr. Hamilton, Executive Director, indicated that since this project is such a large and complex undertaking with diverse activities proposed, staff is looking into many sources of funding, including tax increment financing. This type of financing would permit the Agency to receive a portion of the new property taxes that result from redevelopment efforts. Staff analyzed the responses to Requests for Qualifications from three firms and determined Katz, Hollis, Coren and Associates, Inc. most qualified and negotiated a contract with this firm to provide these services. This firm is one-third minority owned and has a strong ongoing affirmative action program. Mr. Hamilton recommended approval.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 226-80 BE ADOPTED.

NEW BUSINESS (continued)

- (b) Resolution No. 216-80 authorizing execution and filing of Subdivision and/or Parcel Maps and other instruments in connection therewith for certain lands in all Redevelopment Project Areas.

Mr. Hamilton indicated that this matter was brought to the Commission on July 29 but not considered when Mrs. Rogers, Chairperson of Western Addition Project Area Committee (WAPAC), requested that she be briefed on the proposal before the Commission took action. Mrs. Rogers and Mr. Benny Stewart, WAPAC, were briefed on August 20, 1980, and authorization is now requested to file subdivision and parcel maps for certain land in all Redevelopment Project Areas. Generally, these maps are prepared by the developers at their expense and reviewed by staff prior to conveyance. The State Subdivision Map Act and the City's Subdivision Map Ordinance also requires that these maps be signed by the property owner. The process would be simplified if staff was to execute and file the necessary maps prior to conveyance of the sites rather than have the developer do so after conveyance. It would also permit staff to determine if the proposed subdivision conforms to the Redevelopment Plan. Maps would be filed in conformance with an approved Agreement for Disposition of Land, Lease or Owner-Participation Agreement.

Mrs. Rogers expressed concern about how the fees would be paid and the number of parcels involved and Mr. Richard Kono, Acting Development Director, indicated that the developer would continue to pay for the costs of the map preparation and the Agency would only sign and file the map. This action would facilitate the process. Mr. Glickman inquired if this would apply to improved buildings and Mr. Hamilton answered negatively.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 216-80 BE ADOPTED.

- (c) Resolution No. 234-80 approving personal services for reuse appraisal of Redevelopment sites with James A. Porter, M.A.I.
- (d) Resolution No. 239-80 approving personal services for reuse appraisal of redevelopment sites with Mills-Carneghi, Inc.
- (e) Resolution No. 240-80 approving personal services for reuse appraisal of redevelopment sites with Marshall and Stevens, Inc.

Authorization is requested to approve three personal services contracts for reuse appraisal services with James A. Porter, Mills-Carneghi, Inc., and Marshall and Stevens, Inc. in the amount of \$40,000 for each contract. Mr. Hamilton indicated that appraisal services are required to update values on disposition parcels and rehabilitation properties in conformance with HUD regulations. There are now approximately 120 new and updated appraisals needed to bring the Agency's parcel inventory up to date. These three appraisers have been selected for approval because of their extensive experience in the Agency's appraisal requirements. Additional appraisals are needed and it is also requested that staff be authorized to negotiate with additional real estate appraisers and consultants concentrating on minority appraisers for additional reuse appraisal services for all redevelopment project areas.

NEW BUSINESS (continued)

Mrs. Rogers requested that items (d) and (e) be held over until the number of minority employees of each firm was known. Mr. Hamilton indicated these contracts could be held over for one week without impacting the program.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 234-80 BE ADOPTED.

RULE OF THE CHAIR: Acting President Berk indicated that subject to the objections of any Commissioner that items (d) and (e) be held for one week. There being no objection, it was so ordered.

- (f) Resolution No. 231-80 authorizing a management contract with Larry Cutler to render resident Manager Services at the Planters Hotel, 236 Second, Yerba Buena Center.

Authorization is requested to enter into a contract with Larry Cutler in an amount not to exceed \$3,500 per month to provide resident manager services necessary to continue operation of the Planters Hotel, located at 236 Second Street, in the Yerba Buena Center. Mr. Hamilton indicated that the Planters Hotel was acquired by the Agency in 1976. On September 25, 1979, exclusive negotiations were granted to Ron Kaufman to rehabilitate the structure. The Land Disposition Agreement (LDA) which was signed on August 1, 1980, required that the property be vacated of all tenancies within six months from that date. There are presently 56 occupants in the property and San Francisco Neighborhood Legal Assistance Foundation has advised the Agency that they are representing some of these tenants, their interest being in making certain the tenants receive all benefits for which they may be eligible and have advised the tenants not to move at this time. This has necessitated continued management until the structure is vacated. Mr. Cutler is the resident manager for the Jessie Hotel in Yerba Buena Center (YBC) and is familiar with the project area. He will have five persons assisting him to provide 24 hours per day management at the hotel and no new rentals will be permitted. Approval of this contract is the most immediate and effective means to provide the required services for the residents of the Planters Hotel.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 231-80 BE ADOPTED.

- (g) Resolution No. 241-80 authorizing a contract with Environmental Science Associates, Inc., for preparation of a supplement to the Final Environmental Impact Report, Yerba Buena Center.

RULE OF THE CHAIR: Acting President Berk indicated that subject to the objections of any Commissioner that item (g) be held for one week. There being no objection, it was so ordered.

- (h) Resolution No. 242-80 authorizing write-off of certain delinquent rents as a result of documented hardship, Western Addition A-2.
- (i) Resolution No. 243-80 authorizing write-off of certain delinquent rents where there is no reasonable prospect of collection, Western Addition A-2 and Yerba Buena Center.

NEW BUSINESS (continued)

- (j) Resolution No 244-80 authorizing write-off of certain delinquent rents where cost of collection is unwarranted, Western Addition A-2.

Authorization is requested to write off vacated delinquent rental accounts in the Western Addition A-2 and Yerba Buena Center in the amount of \$11,908.51. The Agency's rental policy is consistent with Federal regulations which provides for the write-off of rental accounts when collection would impose undue hardship or where there is no reasonable prospect of collection and when the cost to collect is not warranted. Staff has verified and documented all of the accounts. It should be noted that rent collections for all projects continue to average over 85% which is quite favorable considering the condition of the properties and the socio-economic situation of most occupants.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 242-80 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. KENNEDY, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 243-80 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 244-80 BE ADOPTED.

- (k) Resolution No 245-80 termination of land disposition agreement with Stan and Ethel D. Hicks, Parcel 1126-F, south side of Ellis, between Divisadero and Broderick, Western Addition A-2.

This authorization will terminate the Land Disposition Agreement (LDA) with Stan and Ethel Hicks for the parcel located on the south side of Ellis between Divisadero and Broderick Streets in the Western Addition A-2. Mr. Hamilton indicated that the Hicks had proposed to build two residential units on this parcel when their LDA was approved in December, 1978; however, they were unable to secure a commitment for mortgage financing even though they were granted two extensions, the last one expired in February, 1980. Stan and Ethel Hicks are Al Hicks' son and mother, and in March of this year Al Hicks informed staff that if Stan and Ethel Hicks gave their permission he would move a three-flat building to the site from 3875-79 Sacramento Street.

Since Stan and Ethel Hicks were unable to obtain financing, staff started negotiations with Al Hicks to accomplish his proposed development. It is therefore necessary to terminate the existing LDA with Stan and Ethel Hicks before entering into a new LDA with Al Hicks. Though Stan Hicks has verbally consented to the new transaction Mrs. Ethel Hicks has provided the required release and consent. Under a separate item you will be requested to approve a new LDA with Al Hicks.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 245-80 BE ADOPTED.

- (l) Resolution No. 246-80 public hearing to hear all persons interested in conveyance of Parcel 1126-F, south side of Ellis between Divisadero and Broderick, to Sacramento Street Developers, Inc., Western Addition A-2.

It is requested that staff be authorized to execute an LDA with Sacramento

NEW BUSINESS (continued)

Street Developers, Inc. for the 4,312.50-square-foot-parcel located on the south side of Ellis, between Divisadero and Broderick in the Western Addition A-2, for a disposition price of \$24,000. Termination of the existing LDA with Stan and Ethel D. Hicks was accomplished as the previous action item. Mr. Al Hicks, President of Sacramento Street Developers, plans to rehabilitate a three-flat building which was moved from 3875-79 Sacramento Street. The flats will be rented for approximately \$650 per month. Total cost of development is about \$213,000 and a firm commitment has been received for the project.

Mrs. Rogers indicated her support of this resolution. The Acting President declared the public hearing closed.

Mr. Glickman inquired about the timing of this action, and Mr. Hamilton indicated it was necessary to terminate the previous Land Disposition Agreement (LDA) before entering into a new one. In response to Mr. Lee's inquiry, Mr. Al Hicks indicated that he had obtained financing from the Redwood Bank and was ready to close tomorrow. He had to wait for this hearing to close. He also indicated his appreciation of staff and WAPAC's efforts in making this transaction possible.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 246-80 BE ADOPTED.

At this time Ms. Blomquist joined the meeting at 5:05 p.m.

- (m) Resolution No. 247-80 public hearing to hear all persons interested in conveyance of Parcel 735-A (2), 681-683 McAllister, to Maurice J. Hyman, Western Addition A-2.

Authorization is requested to approve a Disposition Agreement with Maurice J. Hyman for repurchase and rehabilitation of a two-story office building located at 681-683 McAllister Street in the Western Addition A-2.

Mr. Hamilton indicated that the Agency bought this property from Mr. Hyman in 1969 and scheduled the building for demolition; however, it was subsequently determined to be feasible for rehabilitation and the building was offered back to Mr. Hyman in December, 1977, subject to his rehabilitation of the building. However, negotiations broke down on that point and in May, 1978 Mr. Hyman instituted a lawsuit against the Agency alleging certain wrongs and seeking damages. In April, 1979 after settlement discussions, the Commission authorized settlement of the outstanding litigation. The purchase price of the property is \$110,000; the price the Agency originally paid, and it is estimated rehabilitation cost will be \$50,000. Satisfactory evidence of mortgage and rehabilitation financing has been submitted. Permitted uses for this parcel are commercial and office and under the schedule of activities to the LDA with the rehabilitation work must be completed by May, 1981. Approval of this LDA, which accomplish the termination of outstanding litigation on terms favorable to the Agency.

Mrs. Rogers inquired why this property was being sold back to the previous owner for the same price as the Agency bought it in 1969 and Mr. Gene Suttle, Area Director of Western Addition A-2, indicated that the purchase price was based on two appraisals which were less than the property was bought for in 1969. The Acting President declared the public hearing closed.

NEW BUSINESS (continued)

In reply to Mr. Lee's inquiry, Mr. McClure indicated the building contained 3,300 square feet. Mr. Glickman expressed concern about the appraisal being below that of the 1969 acquisition price, and Mr. Suttle indicated that the property may have been appraised at a higher price in 1969 as a result of the condemnation action. Mr. Lee inquired as to the current use and Mr. Suttle indicated it was currently vacant but had previously been used for office space.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 247-80 BE ADOPTED.

- (n) Resolution No. 248-80 authorizing a contract with Atlas Heating and Ventilating Co. to install a ventilating system at 675 Golden Gate, Western Addition A-2.

Approval of a \$3,100 contract with Atlas Heating and Ventilating Co. is requested to install a ventilation system in the Agency-owned building at 675 Golden Gate Avenue where the Central Maintenance and Business Service staff is located. This is a two-story building with Agency offices on the ground floor and an art framing and lithography firm on the second floor. An investigator from the State Compensation Fund has examined this building and strongly recommends installation of a ventilation system because the layout of the ground floor offices, which was formerly a garage, does not allow effective circulation of air and removal of paint and solvents that sometimes enter the area from the second story uses. It is anticipated that the Agency will use these offices for another year.

Mrs. Rogers requested that this item be held one week because she believed an affirmative action issue had not been resolved and Mr. Hamilton agreed it could be held. In response to Mr. Lee's inquiry, Mr. John Friedman, Assistant Director of Community Services, indicated that bids were received ten days previously.

RULE OF THE CHAIR: Acting President Berk indicated that subject to the objections of any Commissioner that item (n) be held for one week. There being no objection, it was so ordered.

- (o) Resolution No. 217-80 awarding demolition and site clearance contract No. 74 for demolition of 1611 and 1603-09 Laguna, to Myron Demolition and Excavation, Western Addition A-2.

Authorization is requested to award demolition contract No. 74 to the low of six bidders, Myron Demolition, in the amount of \$16,900 on the basis of low bid received for the base bid. Mr. Hamilton indicated that this contract would provide for demolition of two vacant buildings; one two-story wood-frame building at 1611 Laguna, and one three-story wood-frame commercial/residential building at 1603-09 Laguna in Western Addition A-2. This site will be developed by Sim Seiki for housing units and commercial uses as part of the Master Agreement with the Nihonmachi Community Development Corp. The LDA requires the conveyance of this site in November. Continental Savings and Loan will remove portions of the exterior facade of 1603-09 Laguna (Cupola Building), under an Agreement with the Agency. This is to be completed in 60 days from the Notice to Proceed issued on August 13, 1980, after which the clearance of the site can be completed under this contract. The contract was bid with two alternates which are: perform demolition and require contractor to assist Agency forces in obtaining 3,50 lineal feet

NEW BUSINESS (continued)

of reusable structural lumber for the "Sweat Equity" program; and perform demolition and require contractor to provide all labor and equipment and to deliver 3,560 lineal feet of reusable structural lumber for the "Sweat Equity" program. In staff's analysis of the alternative bid of Myron Demolition and Excavation it was determined that the alternative bid was not economical. Myron Demolition has completed contracts satisfactorily for their Affirmative Action and Safety Program were found to be satisfactory.

Mrs. Rogers reaffirmed the opposition of WAPAC to the demolition of this building.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 217-80 BE ADOPTED.

MATTER NOT APPEARING ON AGENDA

Resolution No. 249-80 authorizing amendment to personal services contract with Keyser-Marston Associates applicable to all San Francisco Redevelopment Project Areas.

Authorization is requested to amend the contract with Keyser-Marston Associates for all Redevelopment project areas. Mr. Hamilton indicated that this matter relates to indemnification language that the consultant has requested be modified. After review by Agency General Counsel Leo E. Borregard, it was advised that the change is appropriate because of the services to be performed. Mr. Hamilton recommended that amendment to the agreement modifying the indemnification language be approved.

Mr. Borregard indicated that the amendment was not substantive and is intended to clarify that the consultant's responsibility is limited to wrongful conduct and acts of negligence. He noted that it is customary that indemnification clauses for such services are so limited. The Agency's standard clause was slightly broader to take into account a concept in the law as to the difference between passive and active, which is the language to be deleted.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 249-80 BE ADOPTED.

At this time the meeting recessed to a workshop on the 4th floor at 5:25 p.m. The meeting reconvened at 6:00 p.m. with the following roll call:

Dian Blomquist
Charlotte Berk
Willie B. Kennedy
Melvin D. Lee
Rubin Glickman

- (p) Workshop on development responses received for offering No. 21, Parcel 743-A, south side of Eddy, between Van Ness and Franklin, Western Addition A-2.

Mr. Hamilton indicated that the purpose of this workshop was to present the five responding development teams and their plans for Parcel 743-A, located on the south side of Eddy, between Van Ness and Franklin. Mr. Phil Westergaard, Business Development Specialist, described the development aspects of each proposal and Walter Yanagita, Architect, commented on the architectural qualities.

Minutes of a Regular Meeting, September 2, 1980

MATTER NOT APPEARING ON AGENDA

The respondents were presented in the following order: San Francisco Development, Ltd., a joint venture; Eddy Street Associates, a partnership; Eddy Place, a limited partnership; A General Partnership; and Stadtmueller House Associates.

ADJOURNMENT

It was moved by Ms. Kennedy, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:15 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

Approved: September 30, 1980

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
30TH DAY OF SEPTEMBER 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4 p.m. on the 30th day of September 1980, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Charlotte Berk, Vice President
Dian Blomquist
Rubin Glickman
Willie B. Kennedy
Leroy King
Melvin D. Lee

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and the following was absent:

None

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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Paul Sherrill, Lanier and Sherrill Architects; Maria Galatti, Vida Foundation; and Jerry Diamond, Brotherhood in Motion.

APPROVAL OF MINUTES

IT WAS MOVED BY MS. BLOMQUIST, AND SECONDED BY MS. BERK THAT THE MINUTES OF THE REGULAR MEETING OF SEPTEMBER 2, 1980 BE APPROVED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Ms. Kennedy
Mr. King
Mr. Lee

AND THE FOLLOWING VOTE "NAY":

None

AND THE FOLLOWING ABSTAINED:

Mr. Wexler

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

REPORT OF THE EXECUTIVE DIRECTOR

- (a) Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matter:

Executive Director Wilbur Hamilton reported that on October 1, 1980 the Finance Committee will complete its consideration of the Community Development Program and it is anticipated the program will be considered by the Board of Supervisors on October 7, 1980. Staff will keep you advised.

SPECIAL APPEARANCES

Mr. Jerry Diamond, Brotherhood in Motion, indicated he had submitted a proposal to the Agency to perform the Beautification Program with administrative costs of \$56,000 as opposed to his previous submission which included a cost of \$163,000 for the services now being performed by the Agency. However, since there is now a question as to how the Comprehensive Employment and Training Act (CETA) employees can be involved in the program, he believed there should be time allowed to resolve this question. He requested permission to return at a later time.

UNFINISHED BUSINESS

- (a) Resolution No. 258-80 approving first amendatory agreement between the Agency and Oscar J. Jackson and Jonathan D. Bulkley, Parcel 1100-D(1), east side of Beideman between Ellis and O'Farrell, Western Addition A-2.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that this item be continued for one week. There being no objection, it was so ordered.

NEW BUSINESS

- (a) Resolution No. 276-80 rescinding Resolution No. 119-77 which limited refinancing under the Agency's Residential Rehabilitation Financing Program, Western Addition A-2.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that this item be continued for one week. There being no objection, it was so ordered.

- (b) Resolution No. 267-80 authorizing the issuance, sale and delivery of Redevelopment Agency of the City and County of San Francisco Residential Rehabilitation Mortgage Revenue Note, Western Addition A-2.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that this item be continued for one week. There being no objection, it was so ordered.

- (c) Resolution No. 278-80 appointing loan committee for the Residential Program, United California Bank, Western Addition A-2.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that this item be continued for one week. There being no objection, it was so ordered.

- (d) Public Hearing to hear all persons interested in the conveyance of Parcel J-1, east side of Diamond Heights Boulevard adjacent to Douglass Playground, to Casa De Vida Associates, Diamond Heights.

Resolution No. 248-80 authorizing land disposition agreement for Parcel J-1 to Casa De Vida Associates approving disposition price and ratifying

NEW BUSINESS (continued)

publication of Notice of Public Hearing, Diamond Heights.

President Wexler opened the public hearing to hear all persons interested in the conveyance of Parcel J-1, east side of Diamond Heights Boulevard, adjacent to Douglass Playground, to Casa De Vida Associates, Diamond Heights.

Mr. Hamilton indicated that this matter requested authorization to approve a Land Disposition Agreement (LDA) with Casa De Vida Associates for the parcel located on the east side of Diamond Heights Boulevard adjacent to Douglass Playground in Diamond Heights. This parcel has a disposition price of \$10,500. Exclusive Negotiations were entered into on July 10, 1978 and in July, 1979 Mr. Gustav Erpen was incorporated as a partner. Reservations of Section 8 funds have been obtained for this 4-story wood-frame structure containing 21 units of low- and moderate-income housing. The developer has also obtained a firm commitment of mortgage insurance and subsidies from the Department of Housing and Urban Development (HUD) with a 7-1/2 percent construction loan and 7-1/4 percent mortgage loan from California Fair Housing Finance Agency. The HUD closing and start of construction is expected to occur early in October. It is recommended that the LDA, Section 1.04 as published be modified with regard to the permitted uses of the site. The modified language is to read as follows: "The permitted uses are limited to rental housing for persons of low or moderate income with preference or priority extended to the physically handicapped, so long as the mortgage is insured by the Federal Housing Administration or is subject to a Housing Assistance Payment Contract notwithstanding the duration of the Redevelopment Plan." Mr. Hamilton then indicated that it will also be necessary to change the parking variance.

Mr. Borregard, Agency General Counsel, indicated that the parking variance approved by the Commission on January 15, 1980 reduced the number of parking spaces from one to one to five, allowing for four parking spaces with the condition that the number of units rented to residents with automobiles were not to exceed the number of available parking spaces. This condition was subject to HUD approval. HUD has indicated they will not concur in this restriction and it is necessary to bring the parking variance to the Commission for consideration on October 14, 1980. Staff will recommend elimination of this condition.

Mr. Borregard then recommended approving the resolution authorizing execution of the LDA subject to the consideration of the parking variance previously granted by the Commission. There being no persons wishing to appear in connection with the matter, President Wexler declared the public hearing closed.

President Wexler inquired how the developer would rent the units recognizing the intent not to have more tenants with cars than parking spaces. Mrs. Galatti, President of Vida Foundation, expressed her appreciation for the contribution of the Agency in assisting Vida in developing this housing. She was also cognizant of concerns including parking. She expressed her commitment through management of the units to adhere to the intent of the variance originally granted to Vida even though it was not a legal requirement.

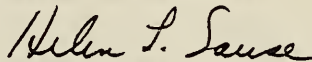
NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 248-80 BE ADOPTED AS AMENDED BY AGENCY COUNSEL TO ADD THE FOLLOWING LANGUAGE TO THE RESOLUTION, "RESOLVED THAT THE FOREGOING AUTHORIZATION IS SUBJECT TO FURTHER COMMISSION ACTION WITH RESPECT TO A PARKING VARIANCE WITH CONDITIONS HERETOFORE GRANTED ON JANUARY 15, 1980 BY RESOLUTION NO. 21-80, WHICH CONDITIONS THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT HAS REFUSED TO ACCEPT. IF THE COMMISSION ELIMINATES THE CONDITIONS TO SAID VARIANCE, AND GRANTS IT UNCONDITIONALLY, THEN SAID AUTHORIZATION SHALL BE IN FULL FORCE AND EFFECT WITHOUT FURTHER COMMISSION ACTION."

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:40 p.m.

Respectfully submitted,



Helen L. Saase
Secretary

APPROVED: October 7, 1980

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
7TH DAY OF OCTOBER 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4 o'clock p.m. on the 7th day of October 1980, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Charlotte Berk, Vice President
Dian Blomquist
Rubin Glickman
Willie B. Kennedy
Leroy King
Melvin D. Lee

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and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were John Igoe, Project Coordinator, Chief Administrative Officer's Office; Richard Swig, Thomas J. Mellon, Grant Sedwick, Clifton Jeffers, Campeau/Rouse/Fairmont Development Team; Stan Smith, Building Trades Council; Charles Lamb, Local 2; Howard Elman, Portman Properties; Mary Rogers, Arnold Townsend, Benny Stewart, Essie Collins, Western Addition Project Area Committee (WAPAC); Ulysses J. Montgomery, Montgomery & Company; Norman Howard, Fillmore Economic Development Corp.; Jon Bulkley, Charles Gill, Joseph Skiffer, Fanny McElroy, David Jenkins, interested citizens.

Representing the press was Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Kennedy, seconded by Ms. Blomquist, and unanimously carried that the minutes of the Regular Meeting of September 30, 1980, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

- (a) The hearing by the Board of Supervisors on the 1981 Community Development budget was being rescheduled to the meeting of October 14, 1980.

UNFINISHED BUSINESS

- (a) Resolution No. 258-80 approving First Amendatory Agreement between the Agency and Oscar J. Jackson and Jonathan D. Bulkley, Parcel 1100-D(1), east side of Beideman between Ellis and O'Farrell, Western Addition A-2.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that this item be held for one week. There being no objections, it was so ordered.

NEW BUSINESS

- (a) Resolution No. 292-80 approving the selection of two finalists and rejecting four offers to negotiate exclusively for the development of Mixed-use Development, Yerba Buena Center

Mr. Hamilton indicated that in April, 1980, the Agency issued a Request for Qualifications (RFQ) for the Yerba Buena Center (YBC) Mixed-Use Development. On June 4, 1980, ten responses were received and after extensive evaluation on July 29, 1980 the Commission selected six of those highly-qualified developers for further consideration and rejected the other four Offers to Negotiate Exclusively. The six chosen were: Cadillac-Fairview Corp., Campeau Corp. California, Rouse Development; O & Y Equity/Marriott Corp./Beverly Willis; Portman Properties; Trammel Crow Partnerships; and YBC Associates.

Mr. Hamilton noted that following this selection the submissions of the six teams were extensively evaluated, indepth interviews were conducted, site visits were made and the qualifications of the developers and design teams were thoroughly considered. He stressed that the Agency was encouraged by the fact that the teams involved were so outstanding that all of them could bring superb qualities to the city. However, after this very thorough evaluation process, Mr. Hamilton indicated that he now recommended selection of two of the development teams, which had superior experience and excellent all-team composition and which uniquely qualified them to undertake this particular project. He noted that his recommendation included approval of a resolution which selected two of the highly qualified development teams: Cadillac Fairview Corp. and O & Y Equity/Marriott Corp./Beverly Willis, and rejected the Offers to Negotiate Exclusively from the remaining four teams. He stressed that his recommendation did not imply that they were not in their own right outstanding although those four teams have not been recommended for further consideration on this project. He reiterated that the two recommended teams bring qualities which most uniquely suit them for the YBC development.

Mr. Hamilton recalled that prior to the reduction of the number of responding teams to six, the Agency undertook a thorough and extensive process in evaluating the submittals for completeness with the minimum requirements in the RFQ. Where there were omissions or ambiguities, the Agency requested additional materials and these responses were received and evaluated. Following the reduction to six, these developers were asked to respond in writing to written questions posed by the Agency. The responses to these questions were made available to the Agency Commission and staff and its consultants and to the public, only excluding confidential financial data. This information, as well as the original submittals, were placed in the main library and four branch libraries and were on file at the Agency. The public was invited to review and inspect this information and the Agency received many comments on the material. An evaluation group was assembled to provide the detailed evaluation of the material. The group was made up of professional consultants and appropriate Agency staff selected because of their specific competency in areas relevant to the YBC program. The consultants included Economic Research Associates, entertainment and recreation; Keyser-Marston, economics; Richard Gryziec, gardens; and Harold Snedcof, cultural. He noted that the staff participants excluded Mr. Redmond F. Kernan, Deputy Executive Director, and himself, but provided great balance, professional expertise and experience. Mr. Hamilton also noted that he had formed a Director's Advisory Group (DAG) made up of a number of persons invited to participate

NEW BUSINESS (continued)

because they had for a long time expressed interest in YBC and knowledge of the many issues out of which the program had evolved. The DAG was formed in July, 1980 and met periodically at significant points to consider the teams' qualifications and advised him of their views. Mr. Hamilton stressed that these views presented a broad spectrum of opinion and were given very serious consideration in his deliberations on the selection. He recalled that in order to better understand the expertise of these development teams, site visits to nine cities made over a one-week period were carried out by Commissioner Blomquist; Chief of Architecture, Edmund Ong; Director of Development, Judith Hopkinson, as well as himself. Upon return, information obtained including slides were shared with other members of the staff, the Commission, and the DAG.

A thorough interview of the teams followed. The evaluation group, after having carefully analyzed all the material made available, prepared questions which were posed to the development teams to assess the strengths of these respondents in the specific areas of development strength, design, program sensitivity and management expertise. The interviews lasted on an average of three to five hours. On that interviewing team, participating as members of the commission, were President Wexler, Commissioners Glickman and Blomquist, as well as appropriate staff and consultants. The developers' responses in the interview were summarized and made available to nonparticipating Commissioners, the Director's Advisory Group, developers and the public.

The next step in the process was the thorough analysis and evaluation of all the material that had now been obtained. The evaluation group worked many hours considering all the information that had been compiled and where there were issues that the evaluation group were unable to resolve, they were brought to the attention of Mr. Kernan and Mr. Hamilton for resolution. After application of the criteria in the RFQ, the evaluation group reported that Cadillac-Fairview and O & Y exhibited greater overall strength in the aspects unique to YBC. The financial analysis, which was also an important part of the criteria, was undertaken simultaneously. At the Agency's request, Keyser Marston Assoc. retained Touche Ross Co. as the consultants responsible for the financial evaluation of the six developers. That analysis was based on the documentation initially received and supplemented by responses to questions in the interviews as well as by financial information obtained by direct contact with individuals in the corporations which had been identified by the developers. The conclusion of that analysis and evaluation indicated Cadillac Fairview and O & Y Equity/Mariott Corp./Beverly Willis had the substantial financial capacity necessary to develop the YBC mixed use development.

After receiving the results of all the evaluations, Mr. Hamilton noted that he had developed his recommendation. He indicated that the factors which led to his recommendation were consistent with conclusions reached by the evaluation group even though they had not evaluated the team's financial capacity. He noted that these factors for Cadillac Fairview included a developer with a proven track record and demonstrated ability to undertake a complex and difficult project in an innovative and creative manner in urban areas particularly large mixed-use projects of which Eaton Center in Toronto is an outstanding example. The Cadillac Fairview design team is a diverse group with many specialized talents such as Ben Thompson, ELS, Osaki Assoc., all of them providing a balanced creative design complement which had the capacity to develop the program for YBC. The factors for O & Y/Mariott Corp./Beverly Willis included also a record of development of complex urban projects and the demonstrated ability to complete and manage projects in a

NEW BUSINESS (continued)

manner which indicates that they are capable of conceiving, implementing and completing the kind of project that is appropriate for YBC. In the important area of design, Mr. Zeidler of the Zeidler Partnership has special creativity that has been demonstrated in diverse aspects of mixed-use development.

Mr. Hamilton noted that his recommendation was made after a great deal of personal agony and many hours of deliberations with consultants and senior staff because of the excellent qualifications of the teams. He reiterated his recommendation that Cadillac Fairview and O & Y be selected for further evaluation because he believed it would place the Agency in the position to secure the best development team for YBC. However, he noted that even though the two teams are clearly superior in this competition, there were areas of concern that needed to be addressed. He recommended that it was in the public's interest to permit these two teams, who have clearly demonstrated a greater responsiveness to the RFQ, to be allowed to strengthen themselves and to provide a public presentation of their qualifications in a forum in which the Commission would have an opportunity to ask questions and further evaluate each of the developers.

Mr. Hamilton noted that in the course of the selection process, he was personally satisfied that the Agency has discharged its responsibility in an even-handed and fair way. It also represents judgments in many areas; however, the process has been meticulous considering the staff has exercised its best judgment on only the merits. Mr. Hamilton recommended that the Commissioners select Cadillac Fairview and O & Y for further consideration and reject the offers to negotiate from the other four teams. He also recommended approval of the course of action and schedule which would conclude with the final selection of one development team for exclusive negotiations on November 20, 1980.

Mr. John Igoe, Project Coordinator, Chief Administrator's Office, read a prepared statement written by Mr. Roger Boas, Chief Administrative Officer, which indicated his concerns regarding the overall development and the developer selection process. The following persons on behalf of the team of Campeau/Rouse/Fairmont Development team spoke: Richard Swig, indicated that the Fairmont Hotel was the most qualified to build a hotel in Yerba Buena Center; Thomas J. Mellon, requested the Commission reconsider eliminating this team from the competition; Grant Sedwick, stated they were the best equipped team and should be included as a finalist; and Clifton Jeffers. Other persons from the public speaking on behalf of the Campeau/Rouse/Fairmont Development Team were: Stan Smith, Secretary-Treasurer of the Building Trades Council, Charles Lamb, Local 2, and David Jenkins indicated their concerns and opposition to supporting Marriott Corp. a non
Howard Elman, Portman Properties, spoke on their behalf.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN AND SECONDED BY MS. BLOMQUIST THAT RESOLUTION NO. 292-80 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Ms. Kennedy
Mr. Lee
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

Mr. King

NEW BUSINESS (continued)

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

President Wexler indicated that the meeting would be recessed for ten minutes.
The meeting recessed at 6:20 p.m.

The meeting reconvened at 6:30 p.m. with the same roll call.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that Item 9-h would be taken before 9-b. There being no objections, it was so ordered.

- (h) Public Hearing by the Mayor's Office of Economic Development to hear all persons interested in the Urban Development Action Grant Application (UDAG) for the Fillmore Neighborhood Commercial Development Project, Western Addition A-2.

Resolution No. 291-80 authorizing transmittal of the Urban Development Action Grant (UDAG) application for the Fillmore Neighborhood Commercial Development Project to the Mayor, Western Addition A-2.

Dean Macris, Director of the Mayor's Office of Economic Development, opened the public hearing and indicated that the only purpose of the hearing was to receive comments and no decision would be made at this meeting on the application.

Mr. Hamilton indicated that in order to expedite the UDAG process for the Fillmore Neighborhood Commercial Development, it had been arranged for the Mayor's Office of Economic Development to hold the required public hearing on the application at this meeting, after which it would be recommended that the Commission authorize the application to the Mayor. Mr. Hamilton indicated that the application is seeking HUD approval of \$2.9 million to stimulate an investment by Safeway Stores, Inc. of \$11.7 million in the Fillmore Center. This will provide for the purchase of three acres to construct a 47,000-square-foot supermarket, a 60,000-square-foot commercial and office building and purchase of one acre along Geary Blvd., to provide direct visibility into the Center. The Agency will invest the \$2.9 million in related activities in support of the commitment of Safeway Stores, Inc. Mr. Hamilton expressed the belief that the requested UDAG financing represents the only feasible way the Agency can obtain the private commitment from Safeway Stores. The UDAG application is scheduled for hearing at the Finance Committee on October 15, 1980 and the Board of Supervisors on either October 20 or 27, 1980. He indicated that he recommended authorization of the transmittal of the UDAG application to the Mayor.

The following persons spoke in support of the UDAG Application for the Fillmore Center: Arnold Townsend, Benny Stewart and Mary Rogers, WAPAC, Norman Howard, Fillmore Economic Development Corp.; Fanny McElroy; Essie Collins; Nathaniel Mason; Joseph Skiffer and U. J. Montgomery, Clayco Corp. - Arko Systems Ltd. There being no further persons wishing to appear in connection with the matter, Mr. Macris on behalf of the Mayor's Office of Economic Development, declared the public hearing closed.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. LEE AND SECONDED BY MS. BERK THAT RESOLUTION NO. 291-80 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Ms. Kennedy
Mr. King
Mr. Lee
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (b) Resolution No. 288-80 authorizing purchase of landscaping equipment from Quinn's Mower and Power Equipment, Hunters Point and India Basin Industrial Park.

Authorization is requested to purchase landscaping equipment from Quinn's Mower and Power Equipment in the amount of \$2,595 who submitted the lowest of three bids received. This equipment will be used for maintenance of Youngblood-Coleman Playfield, Hilltop Park and other public areas in Hunters Point/India Basin. Mr. Hamilton indicated that the Board of Supervisors adopted a resolution December 4, 1978 requesting the Agency provide maintenance of these parks until the Agency's physical activities in Hunters Point have been completed. The City will then assume responsibility for the maintenance. In August, 1979, the Agency awarded a property management contract to Tamal Construction for maintenance of Youngblood-Coleman Playfield for one year at \$4,950 per month and this contract was extended to October 16, 1980. However, plant growth has now reached a stage where maintenance alternatives could be considered. As a result of staff analysis, it is recommended that the Agency maintenance crew be equipped to provide the maintenance of the Playfield, Hilltop Park and other public areas in Hunters Point and India Basin. The maintenance of the parks is an eligible Community Development activity and purchase of this equipment was included in the 1980 budget.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 288-80 BE ADOPTED.

- (d) Authorizing a contract with Thomas Bush, General Contractor, for the installation of a temporary roof structure over the existing skylight at 1117 Geary Street, commonly known as the Goodman Building, Western Addition A-2.

Authorization is requested to contract with Thomas Bush, who was low bidder of the two bids received, to install a temporary roof structure over the existing skylight at the Goodman Building, 1117 Geary Street, in an amount not

NEW BUSINESS (continued)

to exceed \$4,088. Mr. Hamilton indicated that due to the deterioration and structural damage resulting from rain entering through the skylight, it has become necessary to install a temporary roof over this skylight to eliminate this problem until the building is vacated and turned over to the redeveloper, Alan Wofsy and Associates. Staff recommends your approval of this contract.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 290-80 BE ADOPTED.

- (e) Resolution No. 276-80 rescinding Resolution No. 119-77, which limited refinancing under the Agency's Residential Rehabilitation Financing Program, Western Addition A-2
- (f) Authorizing the issuance, sale, and delivery of Redevelopment Agency of the City and County of San Francisco Residential Rehabilitation Mortgage Revenue Note, Western Addition A-2
- (g) Resolution No. 278-80 appointing Loan Committee for the Residential Rehabilitation Program - United California Bank, Western Addition A-2

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that Items e, f, and g would be continued for one week. There being no objection, it was so ordered.

- (c) Resolution No. 289-80 authorizing the conditional award of Demolition and Site Clearance Contract No. 71-R2 for Demolition of 330, 340, 350, and 360 Grove to Wagner-Levine, Inc. and Jackson Construction Co., a joint venture, Western Addition A-2.

Authorization is requested to conditionally award Demolition Contract No. 71-R2 to Wagner-Levine, Inc. and Jackson Construction Co., a joint venture, in the amount of \$72,600. Mr. Hamilton indicated that this contract would provide for demolition of four buildings remaining on the site of the proposed Performing Arts Centre Garage to be constructed by the San Francisco Parking Authority. This item scheduled for the July 29, 1980 meeting had been held over because of a major delay in the City's schedule for construction of the garage. The Agency is allowed to hold bids for 90 days and these bids expire on October 12, 1980. The Agency can either reject all bids received and readvertise or approve a conditional award to the low bidder. Mr. Hamilton noted that normally staff would recommend rejection of the bids readvertisement, but because bids have previously been solicited and rejected for this contract on two other occasions staff believes it would be in the Agency's best interest to conditionally award the contract to the low bidder stipulating conditional award. It would also stipulate that the work would proceed with construction of the garage. A conditional award of this contract to Wagner-Levine, Inc. and Jackson Construction Co. is recommended. Ms. Blomquist expressed her continued opposition to demolition of this housing for parking purposes. She stressed her belief that the parking spaces that would be made available in the Vanguard, Opera Plaza, State Building developments would obviate the need for additional parking. President Wexler stressed his belief that the demolition should not take place until the Agency was assured that the City is able to proceed with construction of the garage. He noted that he shared Ms. Blomquist's views on the demolition but believed

NEW BUSINESS (continued)

the Agency had an obligation to proceed once it is absolutely certain the City can finance the development. Mrs. Rogers, Chairperson of Western Addition Project Area Committee (WAPAC), reiterated WAPAC's opposition to the demolition of housing for construction of a parking garage.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN AND SECONDED BY MR. LEE THAT RESOLUTION NO. 289-80 BE ADOPTED AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Mr. Glickman
Ms. Kennedy
Mr. King
Mr. Lee
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

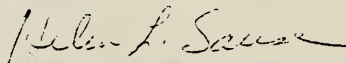
None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned to an executive session. The meeting adjourned at 9:40 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

Approved: January 13, 1981

MINUTES OF AN ADJOURNED REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
20TH DAY OF NOVEMBER 1980

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#4
11/20/80

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in an adjourned regular meeting at 939 Ellis Street in the City of San Francisco, Calif. at 4:00 o'clock p.m. on the 20th day of November 1980, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler; President
Charlotte Berk, Vice President
Dian Blomquist
Rubin Glickman
Willie B. Kennedy
Leroy King
Melvin D. Lee

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and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Chairperson, Western Addition Project Area Committee (WAPAC); Claude Stoller, Stoller Partners; David Lily, Past Vice-President of San Francisco Tomorrow; Melvin Swig, Fairmont Hotel; Bill DesBouillows, Delancey Street; Mario Ciampi, Mario J. Ciampi Architect and Associates; and David Jenkins and Joel Ventresca, interested citizens.

Representing the press were Jerry Adams, San Francisco Examiner; Evelyn Sue, San Francisco Chronicle; and Michael Mewhinney, San Francisco Progress.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioner on the following matters:

- (a) The Gift and Gourmet Mart to be built on the southeast corner of Third and Howard Streets in Yerba Buena Center closed November 14, 1980 and construction will begin next week.
- (b) Proposals were received on November 13, 1980 for Offering No. 9 in Yerba Buena Center. Nine proposals were received for Parcel 11 and two proposals were received for Parcel 8. Staff is preparing summaries of these and after evaluation they will be presented in a public workshop.
- (c) The trees being planted under the Urban Forestry Grant will be dedicated at Hunters Point on November 22, 1980.
- (d) On November 19, 1980 the Port Commission unanimously adopted a resolution approving the Redevelopment Plan for Rincon Point-South Beach and authorized staff to continue the negotiations of the Master Lease for the Port lands pursuant to various concepts that the Agency and Port have been working on. A draft of the lease will be calendared for Commission consideration when these discussions are concluded.

NEW BUSINESS

- (a) Resolution No. 350-80 approving the selection and acceptance of offer of Olympia and York Equity Corporation/Marriott Corporation/Beverly Willis to negotiate exclusively and rejecting the offer of Cadillac-Fairview California, Inc. to negotiate exclusively for the development, Yerba Buena Center.

Mr. Hamilton recommended that the Agency select Olympia and York Equity Corporation/Marriott Corporation/Beverly Willis (O&Y Equities) for exclusive negotiations for the Central Blocks development in Yerba Buena Center. He also proposed the formal rejection of the offer to negotiate exclusively with Cadillac-Fairview California, Inc./Interland Corporation (Cadillac-Fairview). Mr. Hamilton indicated that although the Cadillac-Fairview team was outstanding, after extensive evaluation it was found not as uniquely suited or qualified to implement the YBC development program outlined in the Request for Qualifications (RFQ). Mr. Hamilton expressed his belief that this was one of the most important recommendations he had made to the Commission and stressed that it was the result of a long and careful process which has been carried out with public support. He recalled the deliberations of the Mayor's Select Committee, which after public hearings and extensive evaluation, resulted in its recommendations to the Mayor that permitted the Convention Center to proceed with the promise of a good faith effort to develop an urban gardens on the surface of the Convention Center and in Block 2. The Agency worked diligently with consultants in formulating the program in the RFQ and has been encouraged by the response of ten developer teams. The process of careful evaluation has been deliberate and evenhanded and ultimately resulted in selection of two highly qualified teams to consider further. After selecting O & Y Equities and Cadillac-Fairview, additional time was granted to permit them to address specific evaluation concerns and publicly present their qualifications. After a thorough and extensive analysis of this additional information, Mr. Hamilton recommended selection of O & Y Equities.

Mr. Hamilton expressed his belief that the Agency Commission, staff, and consultants and interested citizens who had worked on the selection are deserving of particular mention. They have worked exhaustively, carefully, and with meticulous evenhandedness in evaluating the qualifications of the teams. He noted the significance of this development which provided the opportunity to place in the heart of an international city like San Francisco something of such great potential public benefit which is expected to be created with imagination and to a nationally recognized standard of excellence. Mr. Hamilton indicated his special appreciation to the Director's Advisory Group (DAG) for its evaluation and assistance. He also commented upon the particular role and unique contribution of Mr. Richard Gryziec, who brought the urban gardens idea to the Select Committee and persisted in this recommendation which ultimately resulted in the request by the Mayor that the city make a good-faith effort to undertake the development.

Mr. Gryziec has worked cooperatively with the Agency as a consultant on the program and has made not only a contribution in respect to the original concept, but has done so on an ongoing basis. Mr. Hamilton also particularly noted the contribution of Ms. Hopkinson, former Agency Director of Development and subsequently a consultant because she had left the Agency for another job during the selection process.

Mr. Hamilton then pointed out some of the factors which were the basis for his recommendation. He noted that O & Y Equities and its design team bring a special

NEW BUSINESS (continued)

talent and exceptional ability to respond to the unique Yerba Buena Center program in the RFQ. He indicated that with respect to the cultural, entertainment, amusement, and specialty retail uses, the team had exceptional strength and had demonstrated a sensitivity to the RFQ and the capacity to carry it out with the involvement of Harbourfront, Children's Theatre Workshop, Bush Gardens, and Sesame Street. That mixture of participants in their various roles provided a peculiar and unique capacity to respond to the RFQ program requirements of developing an exciting program appropriate for an urban setting and one uniquely suited to San Francisco. He stressed his belief that it is ultimately the people carrying out the program that achieves a creative and imaginative result.

Mr. Hamilton indicated that the Agency was impressed with the creativity of the individuals in this development team and expressed the belief that the ability to work closely with a diverse range of individuals, special interest groups, and institutions of this city can be carried out by the team. The overall design team appears to address all areas of special concern, such as cultural, entertainment, amusement and the recreational uses. With Mr. Zeidler in the role of master planner and with his knowledge and experience, as well as his reputation for efficiency, creativity, timely completion of projects within budgets, and his unique personal sensitivity, Mr. Hamilton believed the quality and excitement of the YBC development would be of major benefit to the city. Having evaluated all of the aspects of the team, Mr. Hamilton then indicated his judgment, which is supported by senior staff, the evaluation group, and the majority of the Director's Advisory Group members, that O & Y Equities should be selected as the developer with whom the Agency would negotiate exclusively for the development of the Central Blocks of YBC. He noted that this recommendation resulted from extensive evaluation because both of the teams brought highly specialized, uniquely talented people who could undertake development of the program. After careful evaluation on the merits, particularly considering the unique program for YBC described in the RFQ, Mr. Hamilton reiterated his recommendation that O & Y Equities be selected.

The following persons spoke supporting the selection of Cadillac-Fairview California, Inc.'s development team: Claude Stoller, architect; David Lily, past Vice President of San Francisco Tomorrow; and Melvin Swig, Fairmont Hotel.

The selection of O & Y Equity Corporation/Marriott Corporation/Beverly Willis was advocated by Mr. David Jenkins.

ADOPTION: IT WAS MOVED BY Ms. BLOMQUIST AND SECONDED BY MS. KENNEDY THAT RESOLUTION NO. 350-80 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Ms. Kennedy
Mr. King
Mr. Lee
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

NEW BUSINESS (continued)

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

President Wexler announced that the meeting would be recessed for ten minutes. The meeting recessed at 5:05 p.m. The meeting reconvened at 5:15 p.m. with the same roll call.

- (b) Resolution No. 339-80 authorizing a Letter Agreement with the Department of Electricity for installation of a Fire Alarm System, Inchon Village Development

Authorization is requested to execute a Letter Agreement with the Department of Electricity to install a fire alarm system in Inchon Village for \$4,183.57. Mr. Hamilton indicated that the installation of this system is required under the Building Code and the work will include purchase and installation of cables, three new fire alarm boxes, and furnishing of the fire alarm box sockets. Maintenance and operation of the fire alarm system will be the responsibility of the Department of Electricity. Approval of this Letter Agreement is recommended subject to the availability of funding.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT SUBJECT TO THE AVAILABILITY OF FUNDING THAT RESOLUTION NO. 339-80 BE ADOPTED.

- (c) Resolution No. 340-80 authorizing an agreement with Pacific Telephone and Telegraph Company to provide underground telephone service, Inchon Village Development.

Approval is requested to enter into an agreement with Pacific Telephone and Telegraph Company to provide service to Inchon Village, which will be done at no cost to the Agency. The first phase of excavation and backfilling of trenches, furnishing and installing telephone conduits, service boxes, and vaults is underway and being done by our contractor on Site Improvement Contract No. IR at a cost of \$48,925. The second phase, which will be covered under this agreement with PT&T at no cost to the Agency, includes the furnishing and installing of all wiring and hookups to make the system operable.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 340-80 BE ADOPTED.

- (d) Resolution No. 341-80 authorizing an agreement with Pacific Gas and Electric Company for the installation of gas and electric systems, Inchon Village Development.

Authorization is requested to enter into an agreement with Pacific Gas and Electric Company (PG&E) for installation of gas and electric systems in Inchon Village for \$88,195. Mr. Hamilton indicated that improvement plans for Inchon Village provide for construction of underground electric and gas systems to conform with the underground systems in Hunters Point and India Basin. Although gas service is already underground, it is inadequate for this development and must be replaced. Construction will be done in two phases, the first being done under Site Improvement Contract No. IR at a cost of \$127,366, which will include the excavation, backfilling of trenches, furnishing and installing electrical conduits, service boxes, and transformer enclosures. This authorization is for the second phase which will be done by PG&E. It will furnish and install underground cable, transformers, switches and related equipment, and perform all required hookups for a nonrefundable amount of \$60,021. For the gas system PG&E will furnish and install a 2-inch

NEW BUSINESS (continued)

gas main and cathodic protection at a nonrefundable cost of \$28,174. The total cost for this phase is \$88,195 and is subject to the availability of funding.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT SUBJECT TO THE AVAILABILITY OF FUNDING THAT RESOLUTION NO. 341-80 BE ADOPTED

- (e) Resolution No. 342-80 authorizing an extension of exclusive negotiations with Vanguard Developers for Parcel 743-D, NW corner of Turk Street and Van Ness Avenue, Western Addition Area A-2.

Authorization is requested to extend exclusive negotiations to Vanguard Developers to February 17, 1981 for the parcel located on the NW corner of Turk Street and Van Ness Avenue. Mr. Hamilton indicated that exclusive negotiations were entered into in August 1979 and extended with the most recent extension expiring on November 18, 1980. Vanguard proposed to develop a 175,000-square-foot commercial/office complex that will be occupied by HUD, and they have made considerable progress towards completing negotiations for a lease with GSA. During this three-months' extension, the developer will finalize the proposed lease with GSA and execute an LDA.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 342-80 BE ADOPTED.

- (f) Resolution No. 343-80 authorizing termination of a land disposition agreement with Stan Hicks and Ethel D. Hicks for Parcel 1126-C, SE corner of Ellis and Broderick Streets, Western Addition Area A-2.

Authorization is requested to terminate the land disposition agreement with Stan Hicks and Ethel Hicks for the parcel located on the SE corner of Ellis and Broderick Streets and to refund their security deposit of \$560. Mr. Hamilton indicated that the LDA, dated January 1979, had extensions granted for submission of evidence of mortgage financing in July 1979 and October 1979. The developer was placed in default in July 1980. The Hicks' had planned to build two residential units on this parcel but were unable to secure a mortgage financing commitment. Stan Hicks has notified staff he no longer wishes to participate in the matter; however, his father, Al Hicks, has expressed an interest in joint venturing with his mother, Ethel Hicks, for development of the parcel. Staff has also received expressions of interest from the community to develop the site. Due to the length of time the Hicks family had to proceed and were unable to, it is recommended that the LDA be terminated and the parcel be publicly reoffered. Al Hicks indicated that he had a long-term interest in developing this parcel as a joint venture with Ethel Hicks and requested that action on this be postponed. President Wexler requested that staff investigate the history of Mr. Hicks' interest in this parcel, recalendar it and report back with a staff recommendation on the matter.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT THIS ITEM BE CONTINUED UNTIL DECEMBER 2, 1980.

- (g) Resolution No. 344-80 authorizing a rental agreement with Delancey Street, Inc., NE corner of Turk and Franklin Streets, for the purpose of Christmas tree sales, Western Addition Area A-2.

NEW BUSINESS (continued)

Approval is requested to execute a rental agreement which would provide Delancey Street Foundation, Inc. use of the parcel located at the corner of Turk and Franklin Streets rent-free from November 22 to December 31, 1980 to sell Christmas trees. Mr. Hamilton indicated that the Delancey Street Foundation is a nonprofit self-help organization for former drug addicts, alcoholics, and criminal offenders and has currently 360 participants, 220 of whom are minorities. This project will permit the gift of toys and free Christmas trees to people who cannot afford them. This parcel is projected to be conveyed to Michael O'Neill in January 1981 with the slight possibility that the Agency might be asked to convey it before the end of the year. A written statement has been requested from Mr. O'Neill indicating that should the parcel be conveyed before January 1981, he would have no objection to its interim use as a Christmas tree lot; therefore, the Agency's agreement would be conditioned on receipt of such statement.

Mrs. Mary Rogers, Chairperson of the Western Addition Project Area Committee (WAPAC), indicated her support for this proposal.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 344-80 BE ADOPTED.

- (h) Resolution No. 345-80 authorizing the Redevelopment Agency to enter into a lease with the Bay Area Air Quality Management District for Central Office space at 939 Ellis Street.

Authorization is requested to revise the lease on office space at 939 Ellis Street for 2-1/2 years beginning January 1981 at 90 cents per square foot per month for the 20,650 square feet the Agency presently occupies, plus \$15 per stall per month for 22 parking spaces. Mr. Hamilton indicated that a lease had been approved in December 1979 from July 1979 to December 31, 1981 at 70 cents per square foot. At that time it was contemplated that space would be available in the Fillmore Center and the Agency could move to that location by December 31, 1981; however, it is now clear this is impossible. In order to minimize the possibility of having to secure alternate space for a short time, it appears advisable to extend the existing lease. Bay Area Air Quality Management District has agreed to the extension at the revised rate but with the stipulation that in the event they are required by law or administrative directive to undertake new programs that would necessitate additional staffing, they would have the right to cancel the lease by giving a nine months' notice. The approved 1981 Community Development budget provides funds for the increased rental.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 345-80 BE ADOPTED.

- (i) Resolution No. 346-80 authorizing travel for three staff persons to travel to Los Angeles on November 25, 1980 to meet with HUD Central Office UDAG staff to review the UDAG application for the Fillmore Neighborhood Commercial Development Project.

Authorization is requested for three staff persons to travel to Los Angeles to meet with HUD staff from Washington, D.C. to review the City's UDAG application for the Fillmore Neighborhood Commercial Development Project. This review will facilitate processing of the applications. The Agency personnel who will present the application are Messrs. Redmond F. Kernan, Deputy Executive

NEW BUSINESS (continued)

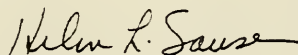
Director; Douglas Myers, Development Coordinator; and William Haskell, Senior Planner. Since this development will be the catalyst for the revitalization of the Fillmore Commercial Center, it is essential to have the approval of the application expedited. The travel will cost \$120 per person for a total of \$360 and funds are available.

ADOPTION: IT WAS MOVED BY MS. KENNEDY, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 346-80 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Kennedy, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned to executive session to consider a personnel matter. The meeting adjourned at 6:10 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

Approved: January 13, 1981

R235
#4
12/2/80

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
2ND DAY OF DECEMBER 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4 o'clock p.m. on the 2nd Day of December 1980, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Howard Wexler, President
- Charlotte Berk, Vice President
- Dian Blomquist
- Rubin Glickman (arrived at 4:55 p.m.)
- Willie B. Kennedy
- Melvin D. Lee
- Leroy King

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and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Representing the press was Jerry Adams, San Francisco Examiner.

Also present were Howard Bae, Korean Central Presbyterian Church; Benjamin Adkins, Director, Elite Club; Everett Heyneman, San Francisco Housing Authority; M. J. Staymates and P. Segall, Western Addition Neighborhood Association; Cleo Wallace and Bobbie Darden, San Francisco Public Housing Tenants Association; Mrs. Mary Rogers and Ben Stewart, Western Addition Project Area Committee (WAPAC); and A. J. Pini, Paul Denning, and Robert Speer, interested citizens.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Commission has appointed Hunter Johnson, Senior Development Specialist, to the position of Chief of Rehabilitation effective December 1, 1980.
- (b) The Commission also appointed David Oster, Senior Attorney, to the position of Assistant Agency Counsel effective January 5, 1981.
- (c) The Board of Supervisors and the Agency will hold a Joint Hearing on the Redevelopment Plan for Rincon Point-South Beach on Monday, December 8, 1980, at 4:00 p.m.
- (d) Authorization is requested to provide pay advances up to \$200 per employee on Wednesday, December 31, 1980. The advances are drawn against paychecks normally payable on Friday, January 2, 1981. Mr. Hamilton indicated that a number of employees request their paychecks on Wednesday, December 31, and such advance distribution of checks has been made in the past for the convenience of the employees. However, for tax reasons, it could disadvantage staff to issue advance paychecks and staff recommends that a pay advance of up to \$200 be made to any employee requesting it.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

MOTION: IT WAS MOVED BY MS. KENNEDY, SECONDED BY MR. LEE AND UNANIMOUSLY CARRIED THAT THE EXECUTIVE DIRECTOR BE AUTHORIZED TO ISSUE PAYROLL ADVANCES UP TO \$200 ON DECEMBER 31, 1980 TO EMPLOYEES REQUESTING SUCH ADVANCES.

UNFINISHED BUSINESS

- (a) Resolution No. 343-80 Termination of Agreement for Disposition of Land for private redevelopment with Stan Hicks and Ethel D. Hicks for Parcel 1126-C; Western Addition A-2.

NEW BUSINESS

- (a) Resolution No. 343-80 and No. 356-80 were discussed together.

Resolution No. 356-80 authorizing the Executive Director to enter into exclusive negotiations with Al Hicks and Ethel Hicks, for Parcel 1126-C; Western Addition A-2.

Authorization is requested to terminate the Land Disposition Agreement (LDA) with Stan and Ethel Hicks for the parcel located at the southeast corner of Ellis and Broderick in the Western Addition A-2 and the subsequent matter requests authorization to enter into exclusive negotiations with Ethel and Al Hicks for 45 days for the development of this same parcel. Mr. Hamilton indicated that at the meeting of November 20, 1980, the Commission requested staff to review the history of the development in more detail and to return in two weeks with a recommendation. This has been done and he noted that in June, 1976, Stan, Inc., which was composed of Stan Hicks as President and Al Hicks as Vice President submitted a proposal to develop six rental units on this property but were unable to finalize the transaction. In 1978, Stan and Ethel Hicks submitted a proposal to develop 4 rental units and though Al Hicks was no longer officially part of the development entity, he continued to be active in the development effort. An LDA was entered into in January, 1979, with Stan and Ethel Hicks but they were unable to meet the April, 1979 date for submittal of evidence of financing and extensions were granted to February 1, 1980. During this time staff attempted to obtain SB-99 financing for the Hicks, but in July, 1980, the development was finally determined to be ineligible. Then Stan and Ethel Hicks were placed in default in July, 1980, with a 60 day cure period and Stan Hicks requested to withdraw from the development in September, 1980. Mr. Al Hicks verbally proposed a joint venture with his mother, Ethel, but no formal proposal was received and the default period expired along with the 18 month time limit of the land disposition price. It now appears that recent changes in regulations may make this development eligible for SB-99 financing and staff recommends that the LDA with Stan and Ethel Hicks be terminated and that a 45 day exclusive negotiating period be entered into with Al and Ethel Hicks.

In response to President Wexler's inquiry, Al Hicks indicated that the units would be rental if he was able to obtain SB-99 financing however, if private financing was used, he anticipated selling the units.

Ms. Mary Rogers, Chairperson of WAPAC indicated her support for the recommendation to authorize exclusive negotiations with Al and Ethel Hicks.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 343-80 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. KENNEDY, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 356-80 BE ADOPTED.

NEW BUSINESS (continued)

- (b) Resolution No. 357-80 authorizing the Executive Director to enter into a Rental Agreement with the Elite Club for the utilization of Agency-owned cleared land in Block 707, Parcel A; Western Addition A-2.

Authorization is requested to execute a Rental Agreement with the Elite Club for a 22,000 square foot parcel located on O'Farrell between Fillmore and Steiner in the Western Addition A-2 to provide off-street parking at a rental rate of \$271 per month. Mr. Hamilton indicated that the Elite Club occupies the premises known as the Fillmore Auditorium at 1805 Geary Blvd., and they presently have 735 members. The presence of the Elite Club, its membership and guests is a welcome addition to the business activity along Fillmore Street, and the provision of off-street parking is expected to substantially increase the potential of this small business enterprise, while at the same time making practical use of an otherwise Agency-maintained vacant lot.

Ms. Mary Rogers, Chairperson, WAPAC, indicated support of the proposed agreement. In reply to Ms. Blomquist's inquiry, Mr. Gene Suttle indicated that the improvements would essentially consist of the fencing of the property. The cost of these improvements would be forwarded to Ms. Blomquist. President Wexler acknowledged the presence of Benjamin Adkins, Director of the Elite Club.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 357-80 BE ADOPTED.

- (c) Resolution No. 358-80 authorizing the Executive Director to execute a Rental Agreement with the Korean Central Presbyterian Church for temporary use of Block 707, Parcel B; Western Addition A-2.

Authorization is requested to enter into a Rental Agreement with the Korean Central Presbyterian Church for temporary use of a 22,000 square foot parcel located on the north side of O'Farrell between Fillmore and Steiner in the Western Addition A-2 for the purpose of providing off-street parking at a rate of \$223 per month. Mr. Hamilton indicated that the church has requested use of this land for members to park because of incidents involving teenagers from a nearby school and recreation center. The Church will maintain and supervise the lot and provide the necessary insurance.

President Wexler acknowledged the presence of Mr. Howard H. Bae, representative of the Korean Central Presbyterian Church.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 358-80 BE ADOPTED.

- (d) Resolution No. 359-80 authorizing the Executive Director to execute a Rental Agreement with the Mahoney Electric Company for temporary use of Parcel 4-A in Block 749 for the storage of power poles; Western Addition A-2.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 359-80 BE CONTINUED FOR ONE WEEK.

- (e) Resolution No. 360-80 Extension of exclusive negotiations with El Bethel Terrace, Inc., for Parcel 774-C, Southwest corner of Golden Gate Avenue and Fillmore Street; Western Addition A-2.

Authorization is requested to extend exclusive negotiations for 47 days with El Bethel Terrace, Inc., for the parcel located on the southwest corner of Golden Gate Avenue and Fillmore Street in the Western Addition A-2. This

NEW BUSINESS (continued)

27,637 square foot parcel is the proposed site for construction of 100 units of low income elderly housing. It is surrounded by a 225 unit development for senior citizens constructed in 1973 by El Bethel Baptist Church. Exclusive Negotiations were first entered into in May, 1979, with an extension now expiring on December 3, 1980. The preliminary financing application has been approved by HUD Central and the LDA is now being prepared and will be ready for hearing and action on January 20, 1981. Mr. Hamilton noted that Mrs. Mary Rogers continues not to support this development because she believes there is too much senior citizen housing in the Western Addition. Mr. Hamilton recommended approval of the extension.

ADOPTION: IT WAS MOVED BY MS. KENNEDY, SECONDED BY MR. KING AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 360-80 BE ADOPTED.

- (f) Resolution No. 361-80 Extension of exclusive negotiations with the Housing Authority of the City and County of San Francisco for Scattered Public Housing on six sites; Western Addition A-2.

Authorization is requested to extend for 90 days exclusive negotiations with the San Francisco Housing Authority for the six scattered sites in the Western Addition A-2. Mr. Hamilton indicated that Exclusive Negotiations were first entered into on July 31, 1979, and have been extended several times with the latest extension expiring today. The Housing Authority has requested an additional 90 days to retain site control over the six sites as required by HUD while their application for the development of the 40 housing units is being processed by HUD and all indications are that the decision will be favorable. However, a waiver must be obtained from HUD Central for the \$58,000 per unit construction cost as HUD's prototype limit is \$41,000 per unit. This waiver is expected within the 90 day period.

The following persons expressed their opposition to giving the SF Housing Authority an extension and urged that Exclusive Negotiations be terminated: Mrs. M. J. Staymates, Western Addition Neighborhood Association; George Stewart, Co-Chair of Western Addition Neighborhood Association; Paul Denning; Peter Whitmore, Alamo Square; Robert Speer. At this time, Mr. Glickman arrived, 4:55 p.m. The following persons spoke in support of the extension; Cleo Wallace, representing the Public Housing Tenants Association; Everett Heynne- man, SF Housing Authority; Benny Stewart, Acting Executive Director, WAPAC, Mary Rogers, Chairperson, WAPAC.

Robert Speer, BANG, also indicated that he believed people were abusing the Western Addition A-2 Rehabilitation Loan Program and the use of Certificates of Preference. In response to Mr. Glickman's inquiry, Mr. Speer indicated that he would submit these allegations in writing.

Ms. Blomquist indicated that she had supported this development in the past; however, she wanted to be informed of the probability of it proceeding in the next 90 days. Mr. Hamilton responded that the issue of the HUD waiver would be resolved before January 20, 1981.

In response to the Commissioners' inquiries, Mr. Everett Heynne- man reviewed the prototype costs which differed from the estimates provided in the Commissioners' background information. Mr. Heynne- man indicated that these costs were estimated by architects and were not based on more definitive information.

President Wexler recalled that the Housing Authority had agreed to address the Agency's design and property management concerns. He inquired if these issues had been resolved and Mr. Hamilton answered negatively indicating that these matters would be incorporated in the Land Disposition Agreement (LDA).

NEW BUSINESS (continued)

President Wexler and other Commissioners indicated that they did not recall seeing the design of the buildings for the public housing sites, and since the waiver for the units concerned the amount that was to be spent per unit, there was an ongoing concern about the appearance of the development. Mr. Hamilton indicated that staff would arrange design briefings for the Commission. In reply to Ms. Berk's request, Mr. Hamilton indicated that he would provide her with a list of examples of scattered public housing in the City.

President Wexler indicated that he supported the concept of scattered public housing but was also concerned about social problems. However, he believed that the parameters set by the Commission for design and management would ameliorate the effect of these units.

MOTION: IT WAS MOVED BY MS. KENNEDY AND SECONDED BY MR. KING TO SUSPEND DISCUSSION ON THIS ITEM, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Blomquist
Mr. Glickman
Ms. Kennedy
Mr. King

AND THE FOLLOWING VOTED "NAY":

Ms. Berk
Mr. Lee
President Wexler

AND THE FOLLOWING ABSTAINED:

None

PRESIDENT WEXLER REPORTED THAT THE MOTION CARRIED.

ADOPTION: IT WAS MOVED BY MS. KENNEDY, SECONDED BY MR. KING THAT RESOLUTION 361-80 BE ADOPTED AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Ms. Kennedy
Mr. King
Mr. Lee
President Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE RESOLUTION WAS ADOPTED.

President Wexler announced that the meeting would be recessed for five minutes. The meeting recessed at 5:50 p.m.

The meeting reconvened at 5:55 p.m. with the same roll call.

NEW BUSINESS (continued)

- (g) Resolution No. 362-80 amending Resolution No. 56-80, a series Resolution authorizing the issuance, sale, and delivery of a new Promissory Note; Mission Plaza Apartments.

MOTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED TO HOLD THIS ITEM FOR ONE WEEK.

- (h) Resolution No. 363-80 authorizing the Executive Director to execute a Letter Agreement with the City and County of San Francisco to provide the services of an employee to the Mayor's Office of Community Development.

Authorization is requested to approve a Letter Agreement with the City and County of San Francisco to continue the services of Martin Gustavson, an employee of the Agency, to the Mayor's Office of Community Development (OCD) for the 1981 Community Development year. Mr. Hamilton indicated that when OCD was established in the fall of 1972 that City Planning, Model Cities and the Agency transferred an employee to work for OCD under a work order arrangement in order to staff the office with technicians familiar with HUD programs. By continuing to contract with OCD, this employee can continue to participate in the Agency's retirement system. This arrangement has continued based on annual approvals by the Mayor and the Board of Supervisors of the City's Community Development Program. Since the procedure requires a formal agreement between the Agency and City for Mr. Gustavson's services, the City Attorney and Agency Legal Counsel have prepared the appropriate Letter Agreement. The Agency is fully reimbursed by the City for Mr. Gustavson's salary and fringe benefits for an annual cost of \$48,641 and staff believes it is in the Agency's best interest to continue this arrangement.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 363-80 BE ADOPTED.

At this time, President Wexler turned the Chair over to Acting President Berk and left the podium.

- (i) Resolution No. 364-80 modifying the membership of the Citizens' Advisory Committee for the Rincon Point-South Beach Redevelopment Project Area.

Authorization is requested to comply with the request of Thomas Crowley, President of Crowley Maritime Corp., for replacement with Richard Nelson, who is Vice President of the firm on the Citizens' Advisory Committee for Rincon Point-South Beach. Mr. Hamilton indicated that Mr. Crowley was appointed as a property owner representative, as Crowley Maritime Corp. owns land within the project area. However, due to the press of business, it has been difficult for Mr. Crowley to attend meetings and he has requested that we appoint Richard Nelson in his stead. Mr. Nelson, who handles real estate matters for the firm, feels he would be able to more actively participate on the committee than Mr. Crowley.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 364-80 BE ADOPTED.

At this time, President Wexler returned to the podium and resumed the chair.

At this time, Mr. Lee left the meeting at 7:15 p.m.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Hamilton requested a brief workshop to consider the Yerba Buena Center Developer negotiation process.

Mr. Lee returned at 7:20 p.m.

Mr. Hamilton noted that the Agency would be meeting with the YBC Central Blocks development team on December 4, 1980 to begin negotiation discussions. He indicated that there were requests from several Commissioners to attend this meeting and asked advice on which members would be attending.

Mr. Hamilton proposed that he be authorized to contract with Ms. Judith Hopkinson, Consultant, for advice on the developer negotiations. The Commission indicated that Mr. Hamilton should be provided with the assistance he needed to carry out the negotiations. Discussion followed. There was also general agreement on the proposed process of carrying out the negotiations.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE THAT PRESIDENT WEXLER, VICE PRESIDENT BERK, AND RUBIN GLICKMAN REPRESENT THE COMMISSION AT THE OPENING SESSION OF THE NEGOTIATIONS FOR THE YERBA BUENA CENTER CENTRAL BLOCKS AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Glickman
Ms. Kennedy
Mr. King
Mr. Lee

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

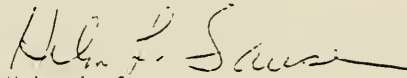
Ms. Berk
Mr. Wexler

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. King and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:30 p.m.

Respectfully submitted,


Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
9TH DAY OF DECEMBER 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 9th day of December 1980, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Charlotte Berk, Vice President
Dian Blomquist
Rubin Glickman
Willie B. Kennedy
Leroy King

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and the following was absent:

Melvin D. Lee

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Mary Rogers, Western Addition Project Area Committee (WAPAC); Susha Singh, City College San Francisco; Reverend Amos Brown and Ernest L. Oliver, Third Baptist Church; Jim Holland, Tonopah Construction; Tom Callinan, Opera Plaza; and G. Johnson, LaVolia Baker and Nolan Frank, interested citizens.

APPROVAL OF MINUTES

It was moved by Mrs. Kennedy, seconded by Mrs. Berk, and unanimously carried that the minutes of the Regular Meetings of July 29 and August 5, 1980, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) Executive Director, Wilbur W. Hamilton, is on vacation.
- (b) The Joint Public Hearing of the Agency and the Board of Supervisors on the Rincon Point-South Beach Redevelopment Plan was continued to December 22, 1980 at 2 p.m.
- (c) The briefing of the Planning, Housing and Development Committee on the process used by the Agency in selecting a developer for the Central Blocks of Yerba Buena Center, which was calendared for today, December 9, was postponed due to the lack of a quorum. It is anticipated that the briefing will be rescheduled for December 16, 1980.

NEW BUSINESS

- (a) Resolution No. 368-80 approving the redesignation by the Nihonmachi Community Development Corp. of the Japanese Cultural and Community Center of Northern California as developer/allocattee of Parcel 676-K, 1840-66 Sutter, Western Addition Approved Redevelopment Project Area A-2.

Authorization is requested to redesignate (by the Nihonmachi Community Development Corp.) for the Japanese Cultural and Community Center of Northern California (JCCCNC) as developer/allocattee for the 14,608-square-foot parcel located on the north side of Sutter, between Buchanan and Webster.

The 1968 Agreement between the Agency and the Nihonmachi Community Development Corp. (NCDC) requires that the NCDC provide land for development of a community facility. This parcel was allocated to the JCCCNC for that purpose; however, the designation was terminated when the JCCCNC did not proceed. Mr. Kernan noted that there has been an ongoing concern that little progress has been made by JCCCNC in obtaining funding for the development. However, recently there have been significant developments. Mr. Asano, President of JCCCNC, has applied through San Francisco Recreation and Parks Department for \$1,300,000 through the Heritage Conservation Program of the Urban Park Recreation and Recovery Act of 1978, and all indications are that they have a very good chance of getting these funds. The balance would come from San Francisco Rec./Park, \$390,000; OCD, \$100,000; Private Foundations and U.S. Corporations, \$400,000; Japanese Corp. and the Government of Japan, \$100,000; and individual donors, \$750,000.

The JCCCNC proposes to construct a three-story building with a gymnasium and a multipurpose room with kitchen facilities on the first floor; meeting rooms, offices and classrooms on the second floor; and an atrium on the third floor for an estimated cost of \$3 million. Mr. Kernan recommended that the JCCCNC be redesignated as developer/allocattee of this parcel until June 9, 1981.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 368-80 BE ADOPTED.

- (b) Resolution No. 396-80 approving an extension of exclusive negotiations with Safeway Stores, Inc., Parcels 725-A, B, C, and D and 708-A, located in the blocks bounded by Geary, Webster, Ellis and Fillmore, Western Addition Approved Redevelopment Project Area A-2.

Authorization is requested to extend exclusive negotiations with Safeway Stores Inc. for 60 days to February 8, 1981 for development of Parcels located in the blocks bounded by Geary Blvd., Webster, Ellis and Fillmore Streets, in the Western Addition.

Safeway was granted exclusive negotiations on September 11, 1980, to the parcels which expires today. Safeway proposes to construct a 46,000-square-foot store with parking, a 60,000-square-foot building on Fillmore which will be sold as separate commercial condominium units or leased or sold to community business persons. Safeway has also agreed to purchase the adjoining property on Geary, the former Mayfair Market, and resell it to the Agency retaining a visual easement.

Mr. Kernan indicated that an additional 60 days are necessary to conclude negotiations, and schedule a briefing of WAPAC and a public workshop prior to calendaring the Land Disposition Agreement for Agency consideration.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MRS. KENNEDY, SECONDED BY MRS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 369-80 BE ADOPTED.

- (c) Resolution No. 370-80 approving an extension of exclusive negotiations with Third Baptist Church, Parcel 750-A, located in the block bounded by Golden Gate, Eddy, Steiner and Fillmore, Western Addition Approved Project Area A-2.

Authorization is requested to extend exclusive negotiations for six months to June 9, 1981 with Third Baptist Church for the parcel located in the block bounded by Eddy, Fillmore, Steiner and Golden Gate in the Western Addition.

The exclusive negotiating rights for this parcel were granted in September 1980. The Church proposes to construct a sanctuary, day care center, elementary school, and multipurpose community activities building. A portion of the Fillmore Street frontage will be devoted to retail commercial uses. The developer has experienced delays due to a change in architects. As a result schematic drawings have been submitted for review. The Church is also having difficulty in their financing program which is a key factor to determining the Schedule of Performance in the Land Disposition Agreement.

In response to an inquiry from Mrs. Mary Rogers, WAPAC's Chairperson, Ernest Oliver representative of Third Baptist indicated that the Church had never intended to place the Sanctuary along Fillmore Street. President Wexler noted the Agency's plan to have the street lined by commercial uses and Mr. Oliver agreed that it was feasible for the Church to adhere to this objective.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MRS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 370-80 BE ADOPTED.

- (d) Resolution No. 371-80 approving an extension of exclusive negotiations with Nolan Frank, Parcel 1100-T, northeast corner of Divisadero and Ellis, Western Addition Approved Project Area A-2.

Authorization is requested to extend exclusive negotiations with Nolan Frank for 60 days until February 10, 1981 for the parcel located on the northeast corner of Divisadero and Ellis in the Western Addition A-2. The exclusive negotiations for this parcel were granted in September 1980. Mr. Frank intends to develop residential condominiums on this parcel with the proceeds to be applied to the rental units he proposes to build on a parcel on the northwest corner of Fillmore and Eddy Streets. Originally Mr. Frank intended to develop rental units on this parcel, but during the exclusive negotiations he had requested that he be allowed to construct condominiums to provide more financial support for the rental units proposed for the other parcel.

Mr. Kernan noted that staff is analyzing this new proposal and will return with a recommendation for consideration to the Commissioners.

In response to President Wexler's inquiry Mr. Richard Kono, Acting Development Director, indicated that the Land Disposition Agreement with Mr. Frank would be structured to insure the development of the rental units and provides that the construction of the units will be closely coordinated with the condominium units.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MRS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 371-80 BE ADOPTED.

NEW BUSINESS (continued)

- (e) Public hearing to hear all persons interested in the assignment of 49% interest by Tonopah Construction of all rights, title and interest of Land Disposition Agreement to LaVolia Baker for Parcel 1102-A, west side of Broderick between Ellis and O'Farrell, Western Addition Approved Redevelopment Project Area A-2.

Resolution No. 372-80 approving the assignment of 49% interest by Tonopah Construction of all rights, title and interest to Land Disposition Agreement with Tonopah Construction to LaVolia Baker; ratifying the Notice of Public Hearing; and authorizing execution of the necessary documents, Parcel 1102-A Western Addition A-2.

President Wexler opened the Public Hearing to hear all persons interested in the assignment of 49% interest of Parcel 1102-A, Western Addition A-2.

Authorization is requested to assign 49% interest in the Land Disposition Agreement with Tonopah Construction to LaVolia Baker for the development of the 1,500-square-foot parcel located on the west side of Broderick between Ellis and O'Farrell in the Western Addition A-2. The Land Disposition Agreement for this parcel was authorized in September 1979. The developer responded to Offering No. 18 for this parcel which has the purchase price of \$3,740 and originally proposed to construct a two-story, three-bedroom residential unit with studio below for sale to a family from the Western Addition. However, the escalation of costs now preclude that possibility and the developer requested permission to change in December 1979, to two one-bedroom condominiums to be sold to Western Addition families for under \$100,000 each, as compared to \$190,000 for the single-family dwelling originally proposed. In May, 1980 LaVolia Baker, a Western Addition business person expressed interest in purchasing a unit in the development for her own residence and negotiations began to determine a selling price, refine design and to select a method of financing.

During this time it was determined that \$6,000 could be saved if a single loan was made for the development rather than a construction and permanent loan. To achieve this it is necessary for Mrs. Baker to secure an interest in the land title, at the time of conveyance. For that reason Mrs. Baker and Tonopah now propose to undertake the project as a joint venture, which necessitates an assignment of interest.

There being no persons wishing to appear in connection with the matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MRS. BERK, SECONDED BY MRS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 372-80 BE ADOPTED.

- (f) Resolution No. 373-80 authorizing a rental agreement with the Mahoney Electric Company for temporary use of Block 749, Lot 4B, southeast corner of Fillmore and Eddy, for parking and storage, Western Addition Approved Redevelopment Project Area A-2.

Authorization is requested to execute a rental agreement in the amount of \$115 per month with Mahoney Electric for use of a 11,470-square-foot parcel located on the southwest corner of Fillmore and Eddy Streets.

The Company plans to park three trucks and store steel poles during December 1980 and January 1981. Mahoney Electric is under contract with Hetch Hetchy Water and Power Department to install poles for Muni bus lines and remove existing ones.

NEW BUSINESS (continued)

Mr. Kernan indicated that staff will prepare the necessary Permit to Enter to make this parcel accessible to Mahoney Electric. The designated developer, Mrs. Gracie Alexander, will not be able to commence construction during the period Mahoney Electric is using the parcel.

In response to Ms. Blomquist's inquiry Mr. Kono indicated that the staff anticipated having the Alexander proposal before the Commission in 60 days.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 373-80 BE ADOPTED.

- (g) Resolution No. 362-80 authorizing an amendment to Resolution No. 56-79, a series Resolution authorizing the issuance, sale and delivery of a new promissory note, Mission Plaza Apartments.

Authorization is requested to amend Resolution No. 56-79 adopted February 20, 1979 which authorized the issuance, sale and delivery of a promissory note in the aggregate principal amount of \$5,297,800 and related matters in connection with the Agency's mortgage bond financing assistance to the development of Mission Plaza Apartments, a 132-unit housing project for elderly, handicapped and families of low income. Construction is nearly completed and because of unanticipated cost increases, it is now necessary to increase the amount of permanent financing in an amount not to exceed \$100,000. The Resolution has been prepared by Bond Counsel and approved by Agency Counsel and authorizes the issuance of a new note in a higher amount, subject to HUD approval. This approval has been received and Commission action to increase the amount is required.

In response to Mrs. Rogers' inquiry Mr. Tom Callinan indicated that this development was not part of the agreement resulting from the Opera Plaza litigation. His firm was currently working on the development of housing at the Farragut school site, and also providing the 100 hours of development consultation agreed to.

ADOPTION: IT WAS MOVED BY MR. BLOMQUIST, SECONDED BY MRS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 362-80 BE ADOPTED.

- (h) Resolution No. 374-80 authorizing amendment to Resolution No. 229-79, as amended, to increase reimbursement rate for official travel in personally owned automobiles and to make other changes in registration fee and travel approval procedures.

Authorization is requested for approval of revising Resolution No. 229-79 as amended to increase reimbursement rate, effective November 1, 1980, for official travel in personally owned automobiles from 20 to 22 cents per mile in keeping with comparability with the City and County of San Francisco, which has now increased its rate to 22 cents.

This revision would also clarify the limits for authorization of registration fees and approval limits for payment of travel and registration expenses. These limits permit the Agency Commission President to authorize registration fees in an amount up to \$1,000 per person and per instance within the local counties in this area, and change the Executive Director's authorization to approve travel and related expenses from \$100 to \$200 and the President from \$300 to \$500 per person and per instance. These changes and amounts are more realistic especially in view of increasing costs. Out of the area travel still requires Commission approval.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MRS. KENNEDY, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 374-80 BE ADOPTED.

ADJOURNMENT

It was moved by Mrs. Kennedy, seconded by Mr. Glickman, and unanimously carried that the meeting be adjourned to an executive session to consider pending litigation. The meeting adjourned at 4:55 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

Approved: January 13, 1981

MINUTES OF A SPECIAL ADJOURNED MEETING
OF THE REDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF SAN FRANCISCO HELD ON THE
22ND DAY OF DECEMBER, 1980

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a special adjourned meeting held in the Board of Supervisors' Chambers, City Hall, City and County of San Francisco at 4:00 o'clock p.m. on the 22nd day of December 1980, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Rubin Glickman, Vice President
Dian Blomquist
Leroy King

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and the following were absent:

Willie B. Kennedy
Melvin D. Lee
Howard M. Wexler

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The President declared a quorum present.

Board of Supervisors President Molinari indicated that the meeting was reopened to continue a joint public hearing of the Board of Supervisors of the City and County of San Francisco and the Redevelopment Agency of the City and County of San Francisco continued from December 8, 1980 at 2:00 p.m. which was called for the purpose of considering the proposed Redevelopment Plan for the Rincon Point - South Beach Redevelopment Project. He stated that notice of the continued Joint Public Hearing was provided as required by law and entertained a motion that the Board of Supervisors sit as a Committee of the Whole.

Following that action Redevelopment Agency Commission President Berk indicated that the special meeting of the Redevelopment Agency continued from December 8, 1980 at 2:00 p.m. was open and the Agency Secretary stated the purpose of the continued special meeting. Ms. Helen Sause, Agency Secretary, stated that the purpose of the meeting was to conduct a Joint Public Hearing to consider and take action on the proposed Redevelopment Plan for the Rincon Point-South Beach Redevelopment Project.

Board of Supervisors President Molinari declared the Public Hearing reopened for the Board of Supervisors of the City and County of San Francisco.

Supervisor Bardis objected to holding a Joint Hearing.

Agency President Berk also declared the Public Hearing reopened for the Redevelopment Agency of the City and County of San Francisco.

Board of Supervisors President Molinari indicated that he would preside over the continued Joint Public Hearing for both the Board of Supervisors and the Redevelopment Agency. He then invited continued discussion and questions from the public and the Board and Agency members on the matter.

Minutes of a Special Adjourned Meeting, December 22, 1980

Walter O'Donnell, interested citizen, indicated that he was concerned about the impact of the project on adjacent property owners, particularly those in Block 3775. He noted that the project could possibly affect these individual properties and did not believe that this impact had been thoroughly evaluated.

There being no other citizens to appear, the Supervisors began their discussion and questions.

Supervisor Kopp inquired about the units' present acreage allowed in the project and stressed his belief that the project does not allow the density that could be achieved in the area. In response to Supervisor Kopp's inquiry, Mr. Thomas Conrad, Chief, Planning and Programming, indicated that with the average density of 125 units per acre, the project could include a maximum of 4,400 units as compared to the proposed 3,000 units now in the Plan.

Supervisor Horanzy expressed concern about the accuracy and length of time for tax increment projections and expressed the belief that use of this financing mechanism was an objective which may not be achieved. In response to Supervisor Horanzy's inquiry, Mr. Harvey Rose, Financial Consultant to the Supervisors, and his assistant, Mr. Gamble, responded to questions about the tax increment financing proposal which they had analyzed and provided for each Supervisor and Agency Commission member.

Supervisor Horanzy expressed his continuing concerns about the low and medium housing proposals and the necessity for using the tax increment financing mechanism. He suggested that City Planning Department could rezone the area and assist private developers in achieving the objectives in the Plan.

Mr. George Williams, Assistant Director, City Planning Department, stated that the area had been analyzed for many years and with a Citizens' Committee considerable evaluation had been done on the analysis of using the redevelopment process as opposed to private development or the use of other public agencies. It had been concluded that redevelopment was the process that had the capacity to achieve the objectives desired for the area.

Supervisor Lawson expressed concern that several Supervisors who were interested in the project were unable to attend the meeting and suggested that it be continued to a future date. Extensive discussion followed on the merits of closing the Hearing and the date to be established for the next consideration of the matter.

The Supervisors voted to continue the Hearing to December 29, 1980 at 2:00 p.m. and the Agency Commissioners also voted to continue the Hearing to that same date and time.

MOTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT THE JOINT PUBLIC HEARING ON THE PROPOSED REDEVELOPMENT PLAN FOR THE RINCON POINT-SOUTH BEACH DEVELOPMENT BE CONTINUED TO DECEMBER 29, 1980 AT 2:00 P.M.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:30 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

Approved: January 13, 1981

